Daily Report
Latin America

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NOTICE TO READERS: For three months beginning in November, material formerly appearing in the JPRS LATIN AMERICA REPORT will be published on a trial basis in the FBIS LATIN AMERICA DAILY REPORT.

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Group of Eight Meeting Begins in Punta del Este

Brazil's Sarney Arrives

PY2610182888 Madrid EFE in Spanish 1809 GMT 26 Oct 88

[Text] Punta de' Este, Uruguay, 26 Oct (EFE)—Brazilian President Jose Sarney arrived today at 1800 GMT at the Capitan Curbelo Airport in Punta del Este.

Sarney is the first president to arrive [as received] in Uruguay to attend the second Group of Eight presidential "summit," scheduled to begin on 27 October.

Peruvian President Arrives

PY2710000088 Madrid EFE in Spanish 2129 GMT 26 Oct 88

[Text] Punta del Este, 26 Oct (EFE)—Peruvian President Alan Garcia arrived today at 1800 (2100 GMT) at the Punta del Este airport, to participate tomorrow in the second Group of Eight presidential summit.

Garcia was the last president to arrive in Uruguay. Within 3 hours, presidents Jose Sarney of Brazil, Virgilio Barco of Colombia, Raul Alfonsin of Argentina, Jaime Lusinchi of Venezuela, and Alan Garcia of Peru arrived in Punta del Este.

Uruguayan President Julio Maria Sanguinetti received all his colleagues at the Capitan Curbelo Aiport in Punta del Este.

Mexican President Miguel de la Madrid traveled by car to the Uruguayan beach resort after his official 3-day visit to Uruguay.

Panama, the eighth founding country of the Group of Eight, is not participating in the summit meeting, being temporarily excluded from the group.

Garcia Arrival Statement

PY2710160388 Lima Television Peruana in Spanish 0100 GMT 27 Oct 88

[Excerpts] President Alan Garcia has categorically stated that democracy in Peru is very strong because the Peruvian Armed Forces respect the will of the people. He said he is sure all Latin American Armed Forces believe in this principle.

Garcia made this statement to journalists upon his arrival in Punta del Este, where, on 27 October, he will attend the opening ceremony of the second meeting of the Group of Eight.

Alan Garcia reasserted that democracy is strong in Peru and he said he is confident that the Punta del Este meeting will reassert and expand on the aim of Latin American unity that was discussed in Acapulco.

He also reasserted the position of the Peruvian Government on the foreign debt issue. Asked whether the foreign debt can be paid, Garcia said: It is up to each country to decide.

The following is a relay from Punta del Este, Uruguay, by reporters.

[Begin relay] [Passage omitted] [Announcer] At the airport President Garcia was surrounded by numerous Peruvian and foreign journalists who are here to cover the Punta del Este meeting. This is what President Garcia told reporters:

[Begin recording] [Garcia] [Passage indistinct] what was agreed in Acapulco to achieve Latin American unity.

[First reporter] Regarding the foreign debt, can it be paid?

[Garcia] This is a decision that must be made by each country. Peruvians believe that first we must achieve development, and we must increase national consumption. In the past few years we have proved that more money goes out of the country than is received through credits, and this is tantamount to stagnation.

We are now facing problems regarding domestic growth. After making the necessary economic corrections we will be able to continue on the path of development. However, under no circumstances will we implement measures to adjust national consumption for the benefit of any foreign bank, or to improve the accounts of foreign banks.

[Second reporter] What measures will be adopted to undertake a joint struggle against drug trafficking?

[Garcia] That depends on the conclusions of the meeting we will hold. I do not want to say anything now.

[Third reporter] Perhaps, [words indistinct] the establishment of an international police force made up of all countries in the region?

[Garcia] I believe this is one possibility. If Latin American countries and the Group of Eight decide to establish such a force, I believe this will not violate any sovereignties or laws. On the contrary, it will be a decisive step to overcome a scourge that poses a threat to us all.

[Fourth reporter] Is democracy strong in Peru?

[Garcia] Very strong.

[Fourth reporter] Today more than ever?

[Garcia] I believe so because it is through difficulties that people become aware of problems, and as a result of this the people are mobilized. It is through the mobilization of the people who are aware of problems that democracies are built.

[Fourth reporter] Do you really feel strong in power?

[Garcia] Yes, sir, because democracy in Latin America is strong and because the Peruvian Armed Forces respect the will of the people, and I am sure all Latin American Armed Forces believe in the same principle. [passage indistinct]

[Fifth reporter] What are you expectations regarding the Punta del Este Group of Eight meeting? Is this Group of Eight meeting very importat for Latin American countries?

[Garcia] I am certain that this meeting will reassert and (?expand) on what was established in Acapulco. There is great concern in Latin America.

The most important issue is the foreign debt. We cannot meet the demands of wealthy countries at the expense of the national consumption and development of our countries. Therefore, the objectives we have established are the following: one, to achieve positive transference of money, that is, for more resources to enter the country than are used to pay the foreign debt; two, for the foreign debt to be revalued at the present market value. If our products—wheat and cattle—are valued using current market prices, why should the foreign debt have a fixed price; why should we continue to pay a fixed interest rate?

In Acapulco we decided to struggle until the IMF established more flexible conditions, thus allowing us to make the necessary economic corrections but not at the expense of economic growth.

In sum, we established different paths to achieve a single objective: Latin America cannot be subjected because of its foreign debt. Latin America has a right to develop.

[Fifth reporter] Does the democratic stability of Latin American countries depend on this?

[Garcia] No, it does not exclusively depend on this. It does depend on the foreign debt and also on the great problems that affect stability. But it is also true that poor and rich countries must restructure the international economy. Today, the world economy is stagnated because of 40-year-old theories and ideas which are still being implemented by the IMF.

[Fifth reporter] Drug trafficking is increasingly affecting Group of Eight countries. It is not affecting just Colombia any more. What is your view on this issue?

[Garcia] It is true that as television and news coverage of this issue increases, these new vices that our countries have gradually contracted have also increased. We do not have a problem of drug consumption. In Peruvian border areas, people produce cocaine, and coca leaves. This is also the case in Colombia, which is a Group of Eight member, and in Bolivia, which is not a Group of Eight member.

Countries like Argentina, Uruguay, Venezuela, and Mexico are also affected by this scourge because these countries are either part of the drug trafficking route or because of drug consumption. Therefore, this is a universal problem that affects the entire human race.

[Fifth reporter] But isn't the United States the heart of drug trafficking in view of the high consumption of drugs in that country?

[Garcia] Yes, of course, the United States is a great market and it is a question of supply and demand.

[Fifth reporter] What are your views on Panama?

[Garcia] I would prefer for this issue to be discussed by the seven presidents who are present here. One year ago, there were eight members. Today, we have seven members. There are reasons why Panama is absent from this meeting and the seven presidents must jointly discuss whether Panama can return to the group.

[Fifth reporter] Sir, democratic stability in Peru is anther issue of concern. I know this is an extensive issue that cannot be explained in a short time but we cannot overlook this question.

[Garcia] Without being too optimistic, I can say there is complete stability in Peru. I believe that Peruvian political forces are working for democracy and that the Peruvian Armed Forces, as an institution, fully respect the Constitution. Moreover, I believe that the Peruvian Armed Forces obey and respect the people's will.

News agency reports state that Latin American countries are full of problems. A while ago, I was told by a journalist in Cordoba, Argentina: You have experienced disorders and looting.

I asked this journalist: What have your heard about Peru in Argentina? In Peru, international news agencies report that the streets of Argentina are filled with bodies; that there is a true social conflict in Argentina. But when one visits Argentina, one realizes that his is not so.

What do international news agencies want to prove? That Latin American countries are unable to remain democratic, that we are unable to develop, that we always have to be subjected to great powers or international financial organizations?

When we hold international meetings, such as the Acapulco or Punta del Este meetings, to define new paths for Latin America integration, we are bombarded by reports that say we are either unable to achieve economic growth or to make a rational assessment of issues.

I believe that a lot of this stems from the news agency reports that come out from many Latin American countries. [end recording] [passage omitted] [end relay]

Sanguinetti Opens Summit

PY2710142688 Madrid EFE in Spanish 1356 GMT 27 Oct 88

[Text] Punta del Este, 27 Oct (EFE)—At 1015 (1315 GMT) today Uruguayan President Julio Maria Sanguinetti officially opened the second Group of Eight presidential summit.

The opening session was held at the sports stadium of the Maldonado municipal campus, 150 km from Montevideo, with Uruguayan Vice President Enrique Tarigo and diplomats and congressmen from the Group of Eight countries.

After welcoming his six Latin American colleagues, President Sanguinetti emphasized Uruguay's support for integration and reiterated his hope that this presidential summit will continue to make progress toward integration.

The presidents of Argentina, Raul Alfonsin; Brazil, Jose Sarney; Colombia, Virgilio Barco; Mexico, Miguel de la Madrid; Peru, Alan Garcia; Uruguay, Julio Sanguinetti; and Venezuela, Jaime Lusinchi will meet until next Saturday in the Uruguayan resort city of Punta del Este.

The meeting's agenda includes the regional foreign debt, which is estimated at $420 billion; the Central American situation; trade; integration; and drug trafficking.

Panama, the eighth country in the group, has been temporarily excluded from the group because of its political situation.

Sarney on U.S. Position

PY2710231588 Brasilia Domestic Service in Portuguese 0000 GMT 27 Oct 88

[Text] Today in Punta del Este, President Sarney told the German news agency Reuters [as heard] that the U.S. position on Latin America cannot be (?based) on force.

It is inconceivable that the U.S. should try to adopt more extreme positions regarding Brazil, which is its greatest ally, Sarney said.

The president added that the United States and Brazil have a long tradition of relations.

As for the presidential summit in Punta del Este, President Sarney said that one of its objectives is to make the world aware of Latin American problems.

The [word indistinct] of the Group of Eight regarding the United States will be included in the final document, which will be signed on 29 October by the eight Latin American presidents.

Sarney Addresses Opening

PY2710234288 Lima Television Peruana in Spanish 1340 GMT 27 Oct 88

[Speech by Brazilian President Jose Sarney at the opening ceremony of the Group of Eight summit in Punta del Este, Uruguay —live]

[Text] Mr President of the Oriental Republic of Uruguay, my dear friend Julio Maria Sanguinetti; my dear friends Presidents Raul Alfonsin, Virgilio Barco, Alan Garcia, Jaime Lusinchi, and Miguel de la Madrid:

Nearly a year ago, in Acapulco, we took a historical step forward toward the unity and integration of our peoples.

We made progress. We explored and broadened the points we have in common.

Today, here in Punta del Este, which is a symbol of the Uruguayan people's hospitality, we are continuing with that task.

In this second presidential summit, we will reflect more deeply on the problems that affect Latin America and the Caribbean.

The panorama is complex. Our democracies are facing serious threats: the debt, protectionism, inflation, recession and unemployment, centers of hunger and misery. Our struggle to overcome poverty, backwardness, and dependency is hindered by dramatic obstacles. These obstacles have foreign roots, and they are the result of an unfair and untimely international order.

In the field of trade, we are at the mercy of unilateral retaliatory measures adopted at whim; we are without the protection of international law or multilateral agreements.

Latin America continues in the anguishing condition of being an exporter of capital. The foreign debt crisis harms our people, affects our expectations for economic growth, and jeopardizes our future. Since 1982, the region has transferred abroad nearly $200 billion in interest payments alone. Our total debt amounts to more than 57 percent of our GDP. These are incredible figures, and they are responsible for the recession of our economies.

For us, growing is more than aspiration; it is an imperative need.

Brazil has made an enormous effort to adjust its economy. It is really an example. We have not seen this same determination among the developed countries.

We seek forms of interaction with the international financing system, so as to safeguard our sovereignty and our national interests.

The results, however, do not match our expectations. Our extraordinary trade balance surpluses continue, by and large, to be exported abroad to service our foreign debt.

Inflation has reached intolerable levels, endangering the well-being of all the population, corroding the purchasing power of salaries, and not allowing productive investments. The disparity in income distribution generates a continuous impoverishment of large segments of the population. In the absence of resources, any policy to strengthen the economy becomes unfeasible, because there is no possibility of investing in capital goods.

The political price is extremely high, but we all accept it as part of our heroic duty in such complex and difficult times.

I have always said and I now repeat: Without the decided involvement of the governments, that is, without a political co-responsibility between debtors and creditors, a fair and lasting solution to the problem of the foreign debt, which certainly must be reduced, will not be possible.

Within this situation, we must seek formulas to solve the inter-Latin American debts. Let us work with our example. Brazilian credits for Latin American trade partners amount to more than $3 billion. We want to give our debtors special treatment, without reducing our capacity to finance trade and new integration programs.

We need to establish mechanisms in our region to reduce payments and new procedures for debt rescheduling.

The regulations of the international financial organizations, however, do not allow us to do this.

We need more flexible rules from the Paris Club, which does not allow a debtor not to grant other debtors outside the Paris Club conditions more favorable than those granted to creditor members of the Club. [sentence as heard]

I believe a joint action of the presidents who are here will bring about some progress.

We will thereby be giving a conrete example of our disposition, within our region, to treat the debt issue politically, in accordance with the position we have been defending in the multilateral sector.

The creditor countries cannot overlook this fact.

Messrs Presidents, despite all its economic difficulties, Brazil has achieved important developments in the process of democratic and institutional consolidation.

The new Constitution that has just been implemented in my country seeks to set the groundwork for a modern and democratic Brazil, with renewed institutions. It recognizes the aspirations of all social sectors, without distinction based on belief, political leanings, or economic situation.

The new Brazilian Constitution pays special attention to the protection of the environment, one of the main problems affecting all developed and developing nations today. Aware of the need to achieve development through a rational and balanced process, and in an effort to prevent the repetition in our country of the ecological destruction caused by human settlements in other regions of the world, a few weeks ago I announced the implementation of a program for the defense of the ecological systems in the Amazon region. The objective of this program is the protection of the environment and of Brzil's renewable natural resources.

We are firmly determined to work with other Latin American and Caribbean countries to protect the ecology in our territories and in the oceans around us, and to avoid pollution of space. We hope that the international financial institutions and the governments of developed countries will express their desires by participating with their resources in the implementation of national projects for the preservation of nature. They will, thus, be contributing in a positive manner, objectively, and with real support.

On mentioning the importance of national initiatives and international cooperation for ecological protection, we cannot forget that the major threat to the environment is, admittedly, the existence of nuclear arsenals and other weapons of mass destruction. How can we protect nature if the great powers have the potential to destroy life? The processes of manufacturing, testing, and storing nuclear weapons represent a very serious threat to the environment, which cannot be minimized. The total elimination of those weapons, then, is the main task if we are to guarantee survival on earth to future generations.

There is an escapist tendency to blame underdeveloped countries for ecological damage. But they are not the villains. One of our major problems is poverty, and to the extent we get smothered by an unjust order, this poverty will increase.

We must not forget, either, that developed countries have destroyed the forests in their areas, and have built, instead, an industrial civilization that is daily throwing millions of tons of toxic gases into the air and destroying the atmosphere, which is the great protector of life.

Moreover, the deteriorating economic situation in some of our countries helps increase activities related to the production and illegal trafficking of drugs, one of the major problems of our times. We admit the scope and seriousness of the problem. We have taken domestic action and have cooperated regionally and internationally to fight this problem in a more effective manner. The solidarity our countries have demonstrated so often must be expanded.

However, only through the adoption of effective measures to drastically curtail the demand in the great consuming centers will we be able to thwart the drug threat.

We also need to adopt severe measures to prevent the money laundering in the international financial system. Urgent measures must be adopted to prevent the free circulation of the traffickers' profits, whether in the national financial system or in the international financial system. Rigid control of the sale of drug-processing chemicals must also be established, as is being done successfully in Brazil.

Messrs Presidents, in a little less than 2 years, the consultative mechanism has obtained a significant level of development and achievements.

We must strongly and continually support the efforts being made in the quest for integration, especially within the framework of ALADI.

Our future will depend on our efforts to establish an integrated economic policy in our region. The Latin American common market is not a dream; it is a historical demand. The independence Bolivar achieved with visionary heroism should make us unite our efforts to build an integrated economy.

Today we are in an international political arena that in certain aspects is less tense than a year ago. Perhaps there are fewer threats to peace. The two superpowers seem to have found the path to detente, to dialogue.

We have witnessed, with satisfaction, the development of recent disarmament negotiations between the United States and the Soviet Union. The understanding between the superpowers has greatly contributed to a climate of relaxation between East and West.

During my recent visit to the Soviet Union, I raised these issues with President Gorbachev [title as heard]. I found in him a positive disposition for dialogue and cooperation. He has a universal vision of building peace.

Although some progress has been achieved in some troublespots in the world, the crisis in Central America, unfortunately, continues, taking lives and efforts that could have been used in the construction of just and prosperous societies.

We must redouble our efforts to achieve peace in that region. It is important, therefore, to strengthen the inter-American system, so as to enhance its standing worldwide.

Messrs Presidents, more than ever, Latin America is convinced that its future is based on integration and cooperation. This has been the basis of the Acapulco commitment, an authentic expression of our ideals and an instrument of our political desire for a joint action.

This is the path reserved for our people. It is the lesson of experience we share on this continent.

In my country, Latin American integration, so dear to all Brazilians, is the main objective of the new Constitution.

Chapter I, which deals with the fundamental principles of the nation, states: The Federative Republic of Brazil will seek the economic, political, social, and cultural integration of the Latin American peoples, envisaging the formation of a Latin American community of nations.

Messrs Presidents, united and in solidarity, we must set out for action, for conquests, and for achievements.

Thank you very much. [applause]

Barco Addresses Opening

PY2810011288 Lima Television Peruana in Spanish 1402 GMT 27 Oct 88

[Speech by Colombian President Virgilio Barco Vargas at the opening ceremony of the Group of Eight summit in Punta del Este, Uruguay—live]

[Text] Messrs Presidents, Foreign Ministers, Economy and Finance Ministers, ladies and gentlemen:

The heads of state from countries that make up the permanent mechanism of consultation and coordination are gathered to renew our political will and to further our commitment to peace, development, and democracy in Latin America. A combination of realism, flexibility, and political decision has been the hallmark of the coordinating process, which has so far yielded highly satisfactory results. The broad convergence of interests and opinions and the frank determination to integrate give this new meeting validity and, above all, significance for the future of the Group of Eight.

The great majority of the countries of the international community have recognized us as valid interlocutors in the discussion of the great political and economic challenges that have now taken on particular import. Early in the 1980's, Latin America found itself battered by adverse forces on all fronts. The return to democracy by many of the countries of the region was threatened by the scope of the crisis. The difficulties became even more acute with the collapse of the traditional instruments of

multilateral action, and with the political vacuum in the various forums of regional and subregional integration. The action of the Group of Eight has helped buttress the process of democratization and enhance regional cooperation. It cannot be said that we have removed all the difficulties found at the beginning of this new stage of regional cooperation.

We can see today a Latin America that has been internally overhauled by democracy and externally fortified by the will to consult and coordinate. The Latin American propositions on the need for shared responsibility between creditors and debtors on the foreign debt issue have already been accepted by the group of seven industrialized countries. This has given an undeniable political profile to the international financial crisis. Our proposition that the payment of the debt or the adjustment processes cannot be tackled without economic growth is no longer questioned. The joint proposal to reduce the stock of the debt and its interest was favorably discussed at the IMF and World Bank meetings. These steps should be encouraged until they are realized as a concrete solution to the difficult economic situation in which Latin America is floundering.

The developing countries are in need of frank and realistic cooperation from the industrialized countries and the multilateral credit institutions. In the past 6 years, the economies of the advanced countries have experienced fast growth, whereas the economies of our region, nearly all of them, experienced in 1987 a per capita GDP lower than that of 1980. This situation is intolerable and unsustainable. Advances have been made in the international area toward the objective of presenting to the international community a joint evaluation of the problems besieging us.

A consensus has been achieved to dissuade the powerful countries from taking new hostile actions in Central America and the South Atlantic. The industrialized nations now have as interlocutors a group of countries that holds firmly shared positions. This group can take its coordinating efforts to broader stages, such as the upcoming talks of Latin American and Caribbean foreign ministers, which will take place next year in Cartagena, on the need for a more decisive presence on the part of Latin America in the discussion of international problems. The foundations of the process of coordination that we have been carrying forward lie in the democratic convictions we share. The Group of Eight effort was born from the need to defend democracy and its principles. The enemies of pluralism should not make the mistake of misjudging our commitment. The threat to democracy in any of the region's countries represent a serious challenge that must not be ignored.

We have undertaken a wholesome process of constitutional transformations and changes of the state that mark a significant advance toward the strengthening of democracy, decentralization, popular participation, and effectiveness of public stewardship. I believe that a greater exchange of experiences and initiatives is called for in these matters. These developments should give us impetus to make more explicit the social and economic components of our democracies. The struggle against absolute poverty and our rescue from social neglect are goals that must be pursued with the same enthusiasm with which we have undertaken the institutional and political reforms. In those matters, our coordination should act as a stimulus to give more meaning to democracy.

Let me now say that drug trafficking has become a sourge, a mortal enemy of democracy. At times, it assumes the role of an unrestricted partner of terrorism in order to foment violence and to promote extremist actions against the institutions. At other times, it is the main factor in attacks on public liberties, human rights, and the right to life. The drug trafficking industry has directed its attacks at efforts being made to deepen the roots of democracy, and at the popular organizations. It does so by giving a pretext for reactionary extremism. We have embarked on an all-out sruggle against this destabilizing force. Colombian society has paid a hefty price for this. In recent months, nevertheless, spectacular successes in this difficult struggle have been achieved in our country.

Since this past January, 4,559 people involved in drug trafficking have been arrested; 17,326 kilograms of cocaine have been seized; 3,188 kilograms of cocaine base and 497,000 kilograms of marijuana have been confiscated; nearly 1.5 million coca trees have been destroyed; and 304,600 marihuana plants and 1,970,000 opium poppy shrubs have been uprooted. Hundreds of weapons; thousands of kilograms of ammunition; and hundreds of vehicles, boats, and aircraft have been seized. Nearly 795 drug processing facilities have been desroyed. In addition to such actions, it is indispensable to implement mechanisms of joint action, coordinating the efforts of producing countries and consumer countries to break up supply-demand connections.

There is a poorly disguised tolerance in some industrizaled nations, while the production of narcotics reflect the magnitude of an organized effort. Drugs circulate in the capitals of the industrialized nations with astonishing ease. The dichotomy in handling this problem must be eliminated. One cannot conceal a lack of resolve with the argument that by increasing policies to control the narcotics demand the rights of the consumers are violated. The civil rights of the consumer in the industrialized nations cannot be more significant than the very stability of the democracies in our nations and than the lives of our judges, journalists, political leaders, trade union leaders, peasants, and government officials. We must recognize that measures recently adopted by the U.S. Congress point to an incipient awareness of what shared responsibility means. This is a good beginning, but we must go even further.

Terrorism is another phenomenon that today appears as a direct threat to democracy. We must join forces to fight it and to condemn it. Urgent joint actions are necessary

to confront those who cannot restrain their destructive urges. Latin America must act in coordination so that the international community will give priority and adequate treatment to the illegal arms trafficking. The illegal arms markets in the industrialized countries are empowering the subversive forces in democratic countries. It is imperative that an attitude to halt the various forms of arms trafficking be promptly assumed. Colombia has, in many international forums, including the United Nations, insisted on the need to treat gunrunning in the same way as conventional and nuclear disarmament.

Messrs Presidents, the initiative for the integration, coordination, and consultation being carried forward by the Group of Eight is today at a decisive juncture. The permanent mechanism has matured and has established itself as a new basis for Latin American cooperation and action. The political will of our nations remains firm, and the soundness of this instrument we have forged makes it possible to predict that it will have an impact on the future. The best contribution we can make to attaining this goal is to set new and more ambitious horizons for our joint undertaking for peace, development, and democracy.

In 1992, we will be in the position to look at our past and to evaluate what the encounter of Europe and the Americas five centuries ago has meant for the modern world. We can also take that occasion to lay down the guidelines for our future, for a new era. The European nations will by then have advanced toward full economic integration, and the single European market, founded on a solid political convergence, will be in sight. The new European reality will entail opportunities and challenges for Latin America, and the prospects for change must be taken into consideration beginning today. The challenge posed to us by European integration is to strive for increasing levels of political integration in Latin America. Latin America must march as a whole toward an encounter with a united Europe. I must express my belief that the Group of Eight can lead the way toward that historical appointment.

Since our meeting in Acapulco nearly a year ago, a climate of lessened tensions between the United States and the Soviet Union is noticeable. With the agreements reached between the governments of those two nations, the process of nuclear disarmament has been set in motion and a trend to seek negotiated solutions to regional conflicts has been initiated. Unfortunately, the new cast in the relations between the two superpowers and their willingness to find peaceful solutions have not yet been reflected in the worrisome situation in Central America. Despite the fact that the Contadora Group and the Contadora Support Group, as well as the countries of the Central American region, have designed many formulas for the solution of the conflict, the major powers have not had the necessary political will to achieve peace. We have to boost our efforts to drive home to the world's power centers the notion that Central America cannot be viewed as nothing but an island, independent of developments in the different countries of the region.

Our common purpose has been founded in the respect for and defense of the sovereignty and autonomy of the states. Non-intervention stands as the fundamental principle for peaceful coexistence. This is the time for decreased tensions between the major powers to translate into a real commitment to the autonomy of peoples, thus bringing peace and progress to our nations. In the 1980's, we have witnessed an acceleration of the transformation and restructuring process in the international system.

We can see today a world that is losing the rigidity of a system based on two unavoidably opposite blocs. Instead, we see emerging new centers of political power, economic development, scientific and technological innovation, and social organization. All this signals the advent of an era of a profound transformation in the international system: the distribution of world power and the redefinition of the framework for external relations in coming years.

No doubt, Latin America has an important role to play in that process. We cannot choose, as in the past, to be passive onlookers at the changes that are taking place. Rather, we must commit ourselves to a decided action to contribute to the establishment of an international system that responds to the needs and aspirations of our peoples. The Group of Eight can analyze and decide on the steps to be taken to actively participate in the construction of tomorrow's world. I also believe that we must broaden our objectives; we must act jointly on the new stages of international decisionmaking, such as the Third World, the Pacific Basin, and the socialist nations.

Latin America has unique natural assets that are shared by our nations, and therefore we have the responsibility to preserve our common wealth. The only way to do this effectively is by acting together harmoniously. The defense of the region's ecological resources presents for us a new front for consultation and coordination. In my opinion, among the many tasks we have yet to perform, few will have the historical significance of our endeavor on this front.

The Group of Eight has assumed an ever more prominent profile on the hemispheric and world stage. I therefore consider that we must further our actions, since our accomplishments so far should encourage us to take additional steps down the road we have chosen. We must not only be valid interlocutors in dealing with other states or regional groups; our role of coordinators can be enriched and enhanced as we assume the role of spokesmen for Latin America.

Messrs Presidents, yesterday Colombia was elected a member of the UN Security Council with the unanimous support of Latin America and the Caribbean. I want to

take this opportunity to thank the other members of the Group of Eight and the other countries of Latin America for their support. Our position in that council will always be based on the opinion and will for peace of our region. In a few more weeks, there will be presidential inaugurations in two of our countries. Miguel de la Madrid and Jaime Lusinchi will end their constitutional terms in office in December and February, respectively. I extend to these illustrious heads of state the recognition of the Colombian people and the warm greetings of my government, headed by a colleague and admirer.

Ladies and gentlemen, Punta del Este has been the cradle of the great ideal of Latin America unity. I am sure that once again, the ideal that has been nurtured in this city will be reaffirmed. Ahead of us lies a future of possibilities to work intensely for the integration of Latin America. I can assure you that you may count on the most decided and enthusiastic participation of Colombia in that endeavor. Thank you very much. [applause]

Brazilian Finance Minister on Economic Steps
PY2710235188 Brasilia Domestic Service in Portuguese 2100 GMT 27 Oct 88

[Report from Punta del Este by reporter Lourival Macedo]

[Excerpt] [Passage omitted] Finance Minister Mailson da Nobrega arrived in Punta del Este this afternoon to join (?the technical section) of President Jose Sarney's entourage.

The foreign debt has been one of the most important (?subjects) in this Latin American presidential summit.

In an informal talk with journalists at Maldonado Airport in Punta del Este, however, Minister da Nobrega discussed problems in Brazil's economy.

[Words indistinct] to issue a decree next week on a new economic package to increase the government's revenues, and consequently to reduce the public deficit and curb inflation, (?which is growing monthly).

He said these will be emergency steps that will not wait until a social pact agreement has been reached. He said no social pact is feasible if the government does not make fiscal adjustments.

Minister da Nobrega will be in Uruguay until tomorrow afternoon. [passage indistinct]

Honduran Official on C.A. Vice Ministers Meeting
PA2610134188 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 21 Oct 88

[Text] The Central American vice presidents are going to meet next week to [words indistinct] what the Central American parliament will be. Honduran Presidential Designate Alfredo Fortin said today in Tegucigalpa that, among the first important topics to be dealt with by the Central American parliament, would be, for example, the reactivation of Condeca [Central American Defense Council]. Economic topics, like a Central American common market, would also be discussed.

According to Alfredo Fortin, the Guatemalan vice president is currently polling the other Central American vice presidents.

[Begin Fortin recording] Well, this meeting has been proposed by Guatemalan Vice President Carpio Nicolle for the end of November, for example, 25 or 26 November, to discuss Central American economic topics within the framework of Esquipulas II. [end recording]

According to the Honduran presidential designate, Condeca could be restructured or, rather, reactivated.

[Begin Fortin recording] I would say it is possible, but there are several other [topics to be discussed]: the Central American common market, Condeca, SIECA [Secretariat of Central American Economic Integration], and the Central American Integration Bank. In other words, there are various aspects that concern the entire region which could be thoroughly discussed there [words indistinct] under the most favorable conditions. [end recording]

Cuba

Castro Receives Mozambique's Chissano at Airport

FL2810134888 Havana Tele-Rebelde Network in Spanish 1200 GMT 28 Oct 88

[Text] Commander in Chief Fidel Castro Ruz, first secretary of the PCC Central Committee and president of the Councils of State and Ministers, has received Joaquim Chissano, president of the People's Republic of Mozambique and the Frelimo [Mozambique Liberation Front] Party, at Havana's Jose Marti International Airport. The Mozambican leader is in our country on a private visit.

Castro Visits Construction Contingent

FL2710185588 Havana Radio Rebelde Network in Spanish 1800 GMT 27 Oct 88

[Text] Commander in Chief Fidel Castro has visited the Sancti Spiritus contingent working on the expansion and remodeling of Lebredo Hospital at the Arroyo Naranjo Municipality in the capital. Havana students are also helping in the tasks. Fidel was interested in learning about the number of workers participating in the project and the schedule they are following.

Orlando Fernandez Cruz, chief of the Sancti Spiritus contingent, replied that there are 742 construction workers who begin working at dawn and end between 2300 and 2330.

The commander in chief showed interest in the attention given to construction workers, at what stage of completion is the project, and how many beds will the Lebredo Hospital have. He explained that the project is over 70 percent complete and the hospital will have 482 beds. Fidel also asked if the Camilo Cienfuegos and Sancti Spiritus medical sciences school were completely finished. He inquired about the current situation of the multi-purpose room.

Regarding the hospital and the medical school, he was told that they are already completed. However, there have been some difficulties with the multi-purpose room, especially with the lattice work on the roof but that efforts are being made to solve them.

Fidel referred to the construction of hotels in the Trinidad area for tourism development. He noted that Sancti Spiritus has a big waterworks potential.

The Sancti Spiritus construction workers told the commander in chief that they are willing to build where ever it is necessary. They noted that Castro's visit was very encouraging.

Bahamas

Pindling Address Opens PLP Convention

FL2710152088 Nassau Domestic Service in English 1200 GMT 27 Oct 88

[Text] The 33d convention of the Progressive Liberal Party [PLP] is underway. The convention opening last night at the Poinciana Arena on (Brenett) Road. Party leader Prime Minister Pindling delivering the main address last night. The prime minister telling supporters and convention delegates that the government has now come of age and has turned the corner of history. In preparation to hasten the pace to take Bahamians to the (?bank), Sir Lynden said it is time for us to take a fresh, bold look at new challenges and opportunities which recent international, economic, and political developments have created in the world's economy and, said the prime minister, given the right circumstances, there is nothing Bahamians cannot achieve.

Martin Alberry has more on the prime minister's opening address.

[Begin recording] [Alberry] Forecasting massive economic transformation and development for the country, the prime minister predicted that when the EEC becomes a giant (?borderless) market place with trillions of dollars and when Canada and the United States sign the far-reaching trade agreement, the future of the Bahamas lies in the successful exploitation of opportunities in the international market for goods and services of unprecedented proportions.

[Pindling] If, therefore, we play our cards just right, we will have a once in a lifetime opportunity to break into the Western European market as a major force. A single united European economy will eliminate many of the offshore opportunities which (?wealthy) Europeans could enjoy by moving capital from one state to another. Shortly, similar opportunities will only be possible by literally moving the funds offshore.

Needless to say, few countries are better positioned to serve their needs than ours, the Bahamas. Nor will the opportunities created by these moves toward economic unification on both sides of the Atlantic be restricted to financial services. There will be significant opportunities in commerce related services, shipping, light industrial manufacture, certain forms of agricultural production, and, of course, striking new opportunities in tourism. Now, small as we are, we are not by any means to be intimidated or discouraged by our lack of natural resources.

[Alberry] Saying that Bahamians have already demonstrated that international (?excellence) can be achieved, Sir Lynden said we must adjust our attitudes, raise our sights, improve our skills, and increase efforts in getting the job done, and get up where we belong.

[Pindling] (?There is) no educational level which Bahamians cannot achieve. If it exists, we can master it. If (Desire Coch) can equal the world's best in academics your daughter can be magna cum laude in commerce. If Michael Thompson can take on the world's best in basketball your son can slam dunk them in banking. [crowd cheers] If a Roger Smith can beat the world's best in tennis your son can smash them in tourism. If Johnny Kemp can rock the world of music your child can rock the world of business. If (Johnny Martin Burrow) can master the world's best on a (?sunfish) this generation of ours can eat them alive in shipping. We belong at the top, the very top, at the cutting edge of excellence.

Since January 1967 we have been at the helm of our own destiny. For 21 years we have (?started) our own force. We have arrived at the age of maturity as a people. The time has now come to put away childish things. And this means that as a people, as a family, as a church, as a union, as a civil service, as a Parliament, as a bank, as a hotel, as a craftsmen, as a cab driver, as a government, as an opposition, as a businessman, and as an ordinary man on the streets we must put, as the old folks say, a (?man's head) on our body.

[Aberry] Pointing out the Bahamas host program as an extremely successful training program for improving attitudes and increasing self-confidence in Bahamians, the prime minister asserted that there is no doubt that the PLP is serious about improving the country's economic circumstances.

[Pindling] Our young professionals, our bankers and lawyers and doctors and hoteliers and accountants ought to be positioning themselves for global operations. There is no reason why, for instance, that with our (?fabulous climate) and a long-standing tradition for hospitality, that Bahamian doctors could not be managing in the Bahamas at least one major international convalescent facility. There is no reason why, after all these years in the business, Bahamian hotel managers should not be able to step in and run any facility, anywhere on earth. If we cannot, then we are setting ourselves the wrong targets and shooting at the wrong goals. We need to look beyond our own border and set our sights and test our performance by world standards of excellence. We need to get up where we belong.

[Alberry] The prime minister said that Bahamians need to understand that there is no one in this planet endowed with natural abilities greater than their own and they must abandon mediocrity. He said once mediocrity is abandoned, then there will be no limit to what we can achieve. [end recording]

Adderley Speaks

FL2710175788 Nassau Domestic Service in English 1200 GMT 27 Oct 88

[Text] The minister responsible for national security and education, the Honorable Paul Adderley, also spoke at last night's session of the PLP convention. He talked about the crime situation in the country and the advancement being made in law enforcement efforts to control the problem. He also told delegates attending last night's session of the convention that there are great things in the making for education in the Bahamas. We have a report. Here is Michelle Malcolm.

[Begin recording] [Malcolm] Reiterating that drug use is responsible for most of the crimes in the Bahamas, Mr Adderley said that drug interdiction is the answer. But he noted that the fact that our law enforcement officers have to cover some 80,000 square miles of land is often overlooked. Mr Adderley commended the law enforcement officers for a magnificent job saying that during the past year they have contained all major crimes with the exception of armed robberies. That problem is being dealt with, he said, as legislation is before Parliament which will allow a minimun 15-year sentence for armed robberies with a maximum sentence of life imprisonment. He said that it is the government's number one priority to make the homes and streets of the country safe from criminals.

Turning to education, Minister Adderley stated that nothing gives him more pleasure than the progress being made in this area. However, he acknowledged that educational goals in this country have taken longer to reach than had been hoped.

[Adderley] The population explosion has more than doubled the school population. Socioeconomic circumstances have kept parents and children separated for long periods of time during the day. Single-parent families dominate, parent-teachers associations have languished, teacher quality and dedication have not been consistent or maintained. Deficiencies of resources to meet expanded needs have also contributed to the problem. And the aggressiveness of youths has not been met by the necessary will and resolution of adults; a lack of discipline predominates. It has become a serious problem in some secondary schools. It has become a problem for principals and a problem for teachers. But the problem is not the problem of teachers, it is not the problem of principals—they didn't cause it. Parents cause it. So when you come to find out, and when you come to examine what you think may be wrong with the children of the Bahamas, first examine the parents.

[Malcolm] Mr Adderley revealed that our educational system is currently being reformed from the primary school level all the way to the college level.

[Adderley] We have begun the development of the government's pre-school system which will be pursued in separate school or in infant classes in primary schools. We are restructuring the curriculum of primary schools to expand the teaching of science, begin the use of computers—that I have already mentioned—add design and technology at the primary school-age stage. Next year we see the completion of the conversion of all junior high schools and the establishment of the single-stage

secondary schools. You go directly from primary school to secondary school. We are finalizing now our plans for the second major capital investment in technical and vocational education, the education facilities and human resource development which will encompass most of our islands in the archipelago. The decision of the government to introduce a national secondary certificate examination to coincide with the secondary school education (?begins) to coincide with the end of (?secondary) school education is being pursued to provice certification for performances for the transition from student to employment, or from high school students to College of the Bahamas. [sentence as heard] (?The) last year, the College of the Bahamas was given a mandate to add new course offerings and to reorganize its academic structure in the pursuit of its development to a four-year degree institution. Present indications are that this restructuring, which will require the expenditure of significant capital in enlargement of the facilities and the faculty, can comfortably be accomplished over the next 5 years.

[Malcolm] Minister Adderley said that those who condemn the system, administrators, and teachers have no positive contribution to make and have no desire to improve our system. [end recording]

Haiti

Political Leaders React to Avril Policy Statement

FL2710175888 Port-au-Prince Radio Metropole in French 1600 GMT 26 Oct 88

[Excerpts] There has been reaction [to the 21 October speech by President Prosper Avril] by other political leaders.

Michel Lamartiniere Honorat of the UNFD, the National Union of Democratic Forces, feels that it is more necessary than ever before for a minimal consensus among the nation's vital forces to be reached so as to come up with a realistic and audacious action program aimed at relieving the abject poverty in which the urban and rural masses in Haiti are wallowing. Consequently, the public institutions, in collaboration with the private sector and the nation's political and socio-professional organizations, must quickly envision creating a national emergency committee in charge of finding the ways and means to help the organizations working in the social domain to do more for the underprivileged—and to do it better. [passage omitted]

The UPD, Union of Democratic Patriots, thinks that the dialogue advocated by Lieutenant General Prosper Avril is just a farce because his government has already been formed and its political line already traced. The only objective of this maneuver is to improve Avril's image and allow him to receive international aid. The dialogue undertaken approximately 1 month ago has only benefited the regime, which has already received more than $15 million in aid, and certain leaders from the Committee for Democratic Accord, from whose parties were taken people to be ministers and ambassadors and to assume several other high-ranking positions. The masses have gotten nothing out of this dialogue. [passage omitted]

The UPD takes this opportunity to warn the government against any attempt to form its own permanent election council contrary to the spirit of the 1987 Constitution, which calls for an independent provisional electoral council to be formed according to a well-defined procedure.

The National Democratic and Progressive Party of Haiti [PNDPH] has also reacted. Its press release says: The general has declared, and we quote him, that the unleashing of passions, arising more often than not from conflicts of interest and ideology, continues to cause profound upheaval in Haiti, thereby posing a threat to the stability of the state. The national interest requires that an end be put to this propensity toward violence and agitation.

This statement contains a barely-veiled threat, thinks the PNDPH. The important thing is to find out to whom this threat is addressed. It is public knowledge that there exists in Haiti a sector that has always defended and is continuing to defend its minority interests using violent means—and which even systematized this violence. We mean the macoute sector. Is the president's threat addressed to this sector, which professes a propensity toward violence and agitation with a certain delirious passion?

If this is the case—and we strongly hope that it is—we are obliged to remind the president that he is the head of the executive and the sole person responsible before the nation and history for putting a halt to the cleanup movement that was unleashed after 17 September by the Haitian people and supported by the soldiers. It is in this macoute sector that lies the roots of the violence that the government has a duty to extirpate, to uproot, if it wishes to remain faithful to the spirit of 7 February 1986 and 17 September 1988. Consequently, we choose to believe that the government, in its text, has in no way targeted the street demonstrations, which are the vehicle for the legitimate, legal, normal expression of the will of the people in all democratic countries, and that it in no way intends to liken these street demonstrations to agitation or violence.

The government has a vested interest in attacking the real and profound problems—well-known by all—that give rise to such demonstrations by the population. [passage omitted]

The PNDPH will soon send the Haitian Government a memorandum on the four points in the general's speech. There will be a press conference on the text of this memorandum at a date to be announced later. [passage omitted]

PANPRA Leader Comments

FL2710182388 Port-au-Prince Radio Metropole in French 1600 GMT 26 Oct 88

[Excerpts] Several leaders have commented on President Avril's 21 October speech in which Avril announced, among other things, that an independent institution in charge of organizing elections was going to be created. [passage omitted]

Today Mr Serges Gilles of the PANPRA [Nationalistic and Progressive Revolutionary Party of Haiti] highlights the points he finds positive in the message. PANPRA's general coordinator nevertheless thinks that emergency measures to satisfy the most pressing of the popular demands should have been announced. Here is Serges Gilles.

[Begin Gilles recording, in Creole] [Passage omitted] With regard to our being satisfied, we remain prudent. [passage omitted] A certain number of very positive initiatives have been taken. [passage omitted] However, we remain prudent because, although nothing has been done against the democratic sector, we cannot say that this sector's mind is fully at ease as to its security; and, in general, we think that serious elections cannot be held in Haiti unless concrete measures are taken to disarm the paramilitary forces, which are to this day still armed.

We think, we must acknowledge, that (?there has been no follow-up) at the level of the masses, of the popular organizations, of the provinces, and of the rural sections. Many section chiefs are keeping peasants from assembling. This creates a climate of frustration. If concrete inititives in that direction are not taken, in the final analysis, such a climate of frustration will not be good for Haiti.

On this point, I can give you an example. On Sunday, 23 October, I was touring my department, the central plateau. Did you know that I arrived in a little town called Thomassique? The population was pleased, and the young people asked me to address them. I said I would, and I told them to find a parish hall to talk to them in, because I didn't want to do it on the public square because if I did I would have to inform the police. Under the Constitution, I have a perfect right to talk to people in a parish hall. Some 10 minutes later, the police and Army came and forbade us to assemble. This kind of thing is not normal.

We think that if we really want to create a rule of law in this country, with a view to this country's future, there is work that needs to be done even within the Army itself, with regard to familiarity and acceptance of the Constitution—and we remain a bit worried about this. [end recording]

Those were statements by Mr Serges Gilles. We remind listeners that he is leaving for Europe today, invited there by several socialist parties.

Formation of New Government for Elections Urged

FL2710185688 Port-au-Prince Radio Metropole in French 1600 GMT 26 Oct 88

[Text] The members of the [Lina] McNally-[Eddy] Volel branch of the Liaison Committee for the Democratic Forces [CLFD] yesterday called for the formation of a civilian-military [as heard] government to hold the next elections in Haiti.

Discussing the current juncture, the CLFD during a press conference severely criticized what it termed the cavalier way the forces of order dispersed last Monday's demonstration. The CLFD also demanded the release of the soldiers arrested in connection with last 14 October's aborted coup.

The CLFD also asked donor countries not to give General Prosper Avril's government aid directly—to instead send channel aid through nongovernmental organizations.

Hebreux Denies Reports on Arrested Soldiers

FL2710191588 Port-au-Prince LE MATIN in French No 26.507, 26 Oct 88 pp 2, 3

[Excerpt] Friday over RTNH [government-controlled radio and television] Sergeant Joseph Hebreux denied reports claiming that the soldiers arrested following the 14 October coup attempt were the soldiers who effected the 17 September coup d'etat. [passage omitted]

Correction to Reaction on Avril Policy Statement

The following correction pertains to the item headlined "Reaction to Avril 21 Oct Policy Statement," published in the 27 October Latin America DAILY REPORT, page 9, column two:

Page 10, column one, second full paragraph of column, from beginning of first line, reads: Gen Avril said violence must be brought to an end. (rewording)

Change in Crude Oil Export Prices Reported

FL2710193588 Mexico City NOTIMEX in Spanish 1643 GMT 27 Oct 88

[Text] Mexico, 28 Oct (NOTIMEX)—The Foreign Trade Committee for Oil [COCEP], has announced an increase in the price of Maya-type Mexican crude of 15 cents per barrel for Latin America and a 10-cent drop for sales to Europe. COCEP reported that the new prices will be in effect on 1 November and prices for Isthmus- and Olmeca-type crudes will not be changed.

The COCEP explained that these technical adjustments are needed in order to deal with the changes of the various crudes, in the refining margins, and the differences of prices between the distilled and fuel oils.

In a communique issued through the Pemex parastate company, COCEP indicated that the average weighted price of crude oil Mexico exports will be slightly below $10 per barrel in October. It reached $11.02 in September.

The COCEP clarified that the behavior of Mexican export crudes reflects the changes in the prices reached by the major oils sold internationally and insisted that disagreements within the OPEC have pulled prices down.

Cuban Ambassador Meets Senate Leader

PA2810010088 Mexico City EL NACIONAL in Spanish 18 Oct 88 p 2

[Report by Juan Manuel Magana]

[Text] The Latin American countries' foreign debt is so "astronomical" that it cannot really be paid, according to Cuban Ambassador to Mexico Jose Fernandez de Cossio. The Cuban envoy said this problem affects the region's future development, so only a new approach can overcome the social conflicts it is increasingly creating. Ambassador Fernandez de Cossio made these statements during a courtesy visit to the Mexican Senate.

Asked about the debt, he said Latin American leaders should jointly study the problem, especially its implications for the development of each of the countries and the region as a whole.

Asked if a "debtors' club" should be created, he replied: "The foreign debt of each country is different, but this should not prevent agreement on joint positions or an exchange of information. If the creditors have a club, why should the debtors appear alone, defenseless and isolated, when they face the creditors as a group?"

This is a problem, he insisted, that Latin American leaders will have to increasingly address with more urgency. One need only look at the region's development to realize the foreign debt is something that must be dealt with immediately because of its grave implications, he added.

Meeting with Senate leader Emilio M. Gonzalez, the Cuban ambassador said Mexican-Cuban relations are excellent. Because of this, he noted, President Miguel de la Madrid's upcoming visit to Cuba is faithful to the tradition of Mexican presidents visiting the island.

Senator Gonzalez said that with his visit, De la Madrid will confirm the "great importance the two countries attach to the continuation of firm political, economic, and cultural relations at such an excellent level."

In a private meeting, they noted that Cuba imports $100 million worth of more than 260 Mexican nonpetroleum products. In addition, 17 cultural exchange agreements are currently in effect between Mexican and Cuban universities.

They agreed there is potential to continue expanding the frank, respectful, and mutually beneficial relations between the two countries.

Japanese Cooperation Agreement Signed

PA2710133988 Mexico City EL NACIONAL in Spanish 19 Oct 88 p 12

[Summary] A cooperation agreement was signed yesterday by the Mexican and Japanese Governments to carry out a survey to improve Mexico's Pacific ports. The work, which will begin next February and last for 6 months, includes the transfer of high technology from Japan.

The document was signed by Luis F. Robledo Cabello, executive member of the National Port Coordinating Commission, and Tsutomu Kihara, chief of the International Japanese Cooperation Agency. Communications and Transportation Secretary Daniel Diaz Diaz also signed the document.

Ambassador to GDR Reports Trade Figures

PA2810023588 Mexico City EL NACIONAL in Spanish 18 Oct 88 p 4

[Summary] Raul Valdez Aguilar, Mexican ambassador to the GDR, has reported that trade between Mexico and the GDR amounts to $5 million annually. He added that the GDR is interested in buying large amounts of Mexican coffee, something that could help Mexico's trade balance.

Belize

Public Workers Demand Meeting With Government

FL2710221288 Bridgetown CANA in English 1843 GMT 27 Oct 88

[Text] Belmopan, Belize, Oct 27, CANA—Public service workers in Belize are stepping up demands for government action in a year-old dispute over salary and "structural adjustments" in the public service, but Prime Minister Manuel Esquivel says he "will not be pressured into any negotiations."

Eighteen-hundred Public Service Union [PSU] members began a work-to-rule and five executive members of the PSU on a negotiating team of the Joint Staff Relations Council picketed the office of the prime minister and other government ministries Wednesday. "The protest is to express dissatisfaction over the government's refusal to meet with (us) today (Wednesday) as was agreed," said Raymond Davis and executive member of the PSU.

Esquivel called an urgent meeting Wednesday with five permanent secretaries involved in the negotiations on behalf of the government and one later quoted the prime minister as saying he would not be pressured into any negotiations with the union.

The cabinet secretary, Carlos Perdomo, who represents management on the Joint Staff Relations Council, said that the governement had refused to meet under duress with the union officials.

Following a meeting earlier in the week between PSU executives, Esquivel and his deputy, Curl Thompson, the union representatives said government was not sticking to a previous agreement to review the terms of reference of public officers. The union official said that the government had only been focusing on certain aspects of the salary adjustments and there were a number of anomalies which needed to be adjusted.

The dispute began last year in July when the prime minister announced large salary increases for members of his cabinet, other members of the House of Representatives, and senior civil servants.

At the time he also promised a salary adjustment for the rank and file of the civil service. But a trade unionist who met Esquivel this week and declined to be named said: "We feel that so far negotiations at the level of the Joint Staff Relations Council over salaries and the restructuring of the public service have been unsatisfactory."

The Belize National Teachers Union is at odds with the government over salaries. Last week, Esquivel said he considered that the government's "adjustment" in teachers' salaries was reasonable and generous.

The teachers union is challenging this position.

El Salvador

Rocket Attack on U.S. AID Building in Capital

PA2810024288 San Salvador Radio Cadena YSKL in Spanish 0215 GMT 28 Oct 88

[Text] An attack occurred this afternoon against the U.S. Agency for International Development building, which is located in front of the Maria Auxiliadora Building.

A rocket fired from a distance of about 150 meters from an RPG-7 rocket launcher hit the fifth floor of the building's south side at about 1850. No casualties have been reported as a result of this attack, which made only about a 10-cm diameter hole in the side of the building.

Further on Attack

PA2810033288 San Salvador Radio Cadena YSKL in Spanish 0256 GMT 28 Oct 88

[Report by Raul Beltran]

[Excerpt] This is a duly confirmed report from the south side of the recently built U.S. Agency for International Development, AID, building. The offices, which AID moved into 3 months ago, are located in southwestern San Salvador, near the La Auxiliadora Building.

We can report that at approximately 1920, a Chinese-made rocket fired by suspected FMLN urban units hit the fifth floor of the building, opening a hole in the wall and loosening the building's suspended ceiling. Witnesses said they heard a whistling sound and then an explosion, which shook the entire area. The U.S. Embassy guards, policemen, and Marines, who guard the inside of the building, were then seen scurrying about the area. The Marines did not leave the AID building but remained at strategically located points inside. Witnesses and security guards refused to provide further details. They told the local and foreign journalists that they should wait for an official report within the next few hours or tomorrow morning. They reported that some people were still working inside the building at the time of the attack but that there were no casualties. [passage omitted]

FMLN on Murdered Mayor's 'War Plan' Involvement

PA2810013888 (Clandestine) Radio Venceremos in Spanish to El Salvador 0046 GMT 28 Oct 88

["FMLN Communique" issued in El Salvador on 26 October]

[Text] The FMLN advises [words indistinct] that:

1. On Sunday, 23 October 1988, our forces captured the mayor of Sociedad, Morazan Department, Lucio Salvador Perla.

2. Mayor Lucio Salvador Perla, a member of ARENA [National Republican Alliance], was involved in fabricating false information and in civil defense matters as part of the counterinsurgency war plan, which now serves as a basis for the repression [words indistinct].

The FMLN advises that the mayor of Sociedad [words indistinct]. We repeat that we will not permit the operation of political and military power [words indistinct] in areas under control of the FMLN. The mayors are part of the counterinsurgency plan; therefore, they are targets of our forces.

3 Soldiers, 1 Guerrilla Killed in Bus Attack

PA2710195988 San Salvador Canal Doce Television in Spanish 0300 GMT 27 Oct 88

[Text] Three 1st Infantry Brigade soldiers and a guerrilla were killed when a Route 22 bus was machinegunned by FMLN urban commando units this evening. The incident took place on the road leading to San Antonio Abad near the (?Bernal) neighborhood, where three civilians were also injured. The attack was condemned tonight by Coprefa, which described it as a random act of terrorism.

Soldier Dies in Ambush

PA2810031188 San Salvador Canal Doce Television in Spanish 0300 GMT 27 Oct 88

[Report by Ernesto Rivas]

[Excerpts] One soldier was killed and two others were injured in an FMLN guerrilla ambush of an Army truck on the road to the Comalapa International Airport this morning. Two Claymore mines were detonated during the ambush, according to reports, and the guerrillas also used M-60 machineguns. The soldiers belonged to the Armed Forces Engineers' Training Center. The dead soldier is (?Omar Pineda Velasquez), and the injured soldiers, whose names are not known, are a corporal and a sergeant. [passage omitted]

The area was searched, but no sign of the attackers was found. It was reported that they headed west following the attack and that there were about 20 of them.

Venceremos Reports on 24-26 Oct Rebel Attacks

PA2710140988 [Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 27 October broadcasts approximately 13 minutes of reports on FMLN military actions.

According to the first report, on 24 October, FMLN rebels detonated explosives at the ANTEL [National Administration for Telecommunications] office in Villa el Triunfo, partially destroying it. The FMLN forces distributed propaganda in the center of town and militia commandos harassed cavalry troops with home-made grenades. "The enemy did not answer our fire," the report notes. In Nueva Granada, Usultan Department, "our comrades blew up two poles. They stayed there for approximately 40 minutes, distributing propaganda along the Pan-American Highway and nearby villages." The report adds that "our comrades withdrew without problems after accomplishing their mission."

The same report notes that at 1130 on 26 October, a guerrilla unit engaged a 3d Infantry Brigade patrol in the jurisdiction of Jucuapa, Usulutan Department, inflicting one death on the Army forces. The report continues: "We also report that a helicopter was damaged by our antiaircraft fire at (San Julian) Hill in Santa Ana. We are waiting for more details."

In another report from the Modesto Ramirez Central Front, the station says FMLN forces attacked the military post in La Cuchilla, 1 km from Santa Tecla, La Libertad Department, on the highway to Comasagua "with artillery and rifle fire for approximately 20 minutes." It adds that "the enemy responded by firing haphazardly because it was caught by surprise and could not determine the direction of our attack." The report continues: "We inflicted three casualties on the enemy and damaged their barracks and microwave antenna."

Finally, the station reports that at 2000 on 25 October, "insurrectional detachments combined with clandestine guerrillas" attacked several towns and "seized control of a stretch of the highway between Guatajiagua and Chapeltique, sabotaging two electricity poles with explosives."

Interior Minister Says 1,500 Refugees To Return

PA2810044488 San Salvador Canal Doce Television in Spanish 0300 GMT 26 Oct 88

[Text] It was officially confirmed today that 1,500 Salvadorans will be repatriated from the Mesa Grande Camp in Honduras during the 1st week of November. Without giving an exact date for their return, Interior Minister Dr Edgar Ernesto Belloso Funes reported that the tripartite commission is meeting now in San Pedro Sula, Honduras, to work out the details for the refugees' return. The refugees fled to the neighboring country to escape the conflict. They will be resettled in Santa Marta, Cabanas Department, said the minister, who added:

[Begin Belloso recording] The reports we have say that around 1,500 people—men, women, and children—will try to return very soon; possibly by the end of October or the beginning of November. We, of course, are willing to receive them—they are our brothers—and we have proven this on several occasions. [end recording]

Belloso Funes said that although conditions are not entirely normal at home, these 1,500 fellow citizens want to return to their country.

[Begin Belloso recording] They are aware that the areas to which they will return suffer from the conflict. They know these places are risky because subversives hide there. I would say these areas are a bit shaky; nevertheless, the refugees are willing to (?fight). [end recording]

Guatemala

Draft Treaty Swaps Sea Outlet for Recognition

PA2710193488 Panama City ACAN in Spanish 1757 GMT 27 Oct 88

[Text] Guatemala City, 27 Oct (ACAN-EFE)—The Guatemalan Government, which is headed by Christian Democrat Vinicio Cerezo, will recognize the independence and sovereignty of Belize, a territory that has been in dispute for over 150 years, in exchange for an overland outlet to the Caribbean Sea.

Deputy Edmond Mulet of the Union of the National Center (UCN), an opposition party, and a member of the negotiating commission, told ACAN-EFE today that "Guatemala has been guaranteed an outlet to the sea on the Belizean border" in a draft treaty.

Belize, a territory of 22,000 square km northwest of Guatemala and which has over 150,000 inhabitants of African origin, gained its "unilateral" independence from Great Britain on 21 September 1981.

Mulet said that the tripartite negotiating commission (Guatemala-Belize-Great Britain) has prepared a draft treaty which recognizes the sovereignty of the territory in dispute. However, he added, "it will be up to the Guatemalan people to say yes or no in a referendum that is tentatively set for June 1989."

The multilateral negotiations have been held periodically since May 1987 in Miami. The UCN deputy said that the subcommittees for policy, economics, and security will meet in Miami from November to January 1989 to "draw up" the final articles of the treaty, which will put an end to the conflict.

Mulet emphasized that these subcommittess will delimit the land border that will guarantee Guatemala an outlet to the Caribbean Sea, which is considered important for that Central American country's trade. In addition, they will draft a joint economic development plan "that will take into account financial, economic, social, and cultural aspects," the UCN deputy said.

The tripartite delegations for the security subcommittee will discuss the coordinated control of drug trafficking and weapons through the exchange of information. UCN Deputy Mulet, who belongs to the congressional Foreign Relations Committee, said that Great Britain is participating in the talks because Guatemala "demanded it." That way, the dispute will be "definitively" settled and Great Britain will participate in the two countries' development.

Mulet noted that before the treaty is signed, "the Guatemalan people will make the final decision through a referendum." He added that "the same thing will happen in Belize." Guatemala has not recognized Belize, a UN member, as a sovereign nation. As the first step toward a negotiation to solve the dispute, Guatemala established diplomatic relations with Great Britain on 31 December 1986. Diplomatic relations were severed in 1983.

Guatemala's negotiating commission comprises Deputy Foreign Minister Ariel Rivera Irias, vice presidential representative Roberto Bermejo, Captain Jose Mazariegos on behalf of the military, and Deputies Edmond Mulet and Marco Antonio Dardon.

Jose Serrano Elias, leader of the Solidarity Action Movement (MAS) and presidential candidate in 1985, said that the actions taken to resolve the dispute "will boost Guatemala's image abroad" and will strengthen our ties to the Caribbean region. He said, however, that the Guatemalan Government "must abide by the Constitution and submit any negotiated solution to a popular vote."

Gabriel Giron Ortiz, secretary general of right-wing National Unity Front (FUN), said that the decisions "must be specific and guarantee our sovereignty over the Zapotillo and Ranguana Keys." Honduras is also claiming those keys.

URNG Assesses Situation on Anniversary

PA2710170588 Guatemala City PRENSA LIBRE in Spanish 23 Oct 88 p 14

["Statement" issued by the URNG General Command on 20 October]

[Text] The roar of artillery announced a new dawn for Guatemala on 20 October 1944, 44 years ago. A time of sinister oppression ended and a new era began, one marked by full liberty and the search for solutions to problems that plagued our people at that time.

To recall that date and to honor all those who contributed to and participated in that special decade is particularly important right now. Because of their efforts, 20 October has become a symbol of liberty and democracy. This date both symbolizes the Guatemalan people's struggle and nourishes and inspires the revolutionary movement.

This date is significant today because it symbolizes freedom, sets a historical example, and is helpful in clarifying the meaning of democracy, which is so essential and so much debated these days.

The decade of the October revolution also represents what a democratic government can become, what life and society are like under a democratic government, in all its true, positive effects.

The Guatemalan people have learned to live without oppression and cannot forget what this kind of life is like. The people's collective memory allows them to make comparisons and to decide whether what is now portrayed as democracy is truly democracy in its conception and application.

This is why, 44 years later and through a heroic struggle, the Guatemalan people—with this historic precedent and led by their own experience—keep seeking a better future and a just, worthy, and free life. The Guatemalan people continue to struggle for democracy and to expose impostors.

A large segment of the population recently placed its trust in Cerezo Arevalo's new civilian government and believed that the administration would institute a consistent, serious, and, above all, a genuine democratic system of government.

After nearly 3 years, the people have bitterly and frustratingly learned that those initial promises were only empty words and came to nothing. It is the people who now must endure a regime which daily shows that its direction is far different from what it constantly proclaims.

We have seen how, instead of building democracy, the Cerezo administration has distorted it, even to the point of denying democracy altogether. Instead of dismantling the structures of oppression and repression that affect society as a whole, the government has done nothing more than disguise them, thereby contributing to their survival and strength.

The government's tolerance of and complacency toward repressive social sectors have turned into cynical complicity. The current administration's credibility and legitimacy crisis clearly stems from its failure to carry out a program for democracy. In addition, it is a very serious matter—and no less hazardous for the rights of the people and the cause of democracy—to maintain a government in a state of instability the way Cerezo Arevalo has done to obtain national and international support to remain in the Presidency.

A coup d'etat at this time is not the solution. Everyone knows what this would entail in terms of social costs, given the interests represented. Yet it is equally dangerous to allow the continuance and growth of undemocratic practices and repression, which, in fact, is what the Christian Democratic regime is doing. Two serious dangers loom over the heads of our people and their future, and Cerezo's government is leading them toward those two dangerous precipices.

Full-scale plans prepared by the High Command and authorized by the president are under way to further the warmongering policy of rearming the Army and to undertake covert campaigns of repression to inculcate terror within broad sectors of our nation's urban and rural population.

For several weeks now, advertising campaigns have resorted to misinformation and distortion of facts to confuse and misguide the Guatemalan people.

There is an ever-increasing drive toward establishing oppressive regimes once thought to be a thing of the past. The situation is made even worse by the fact that these regimes hide behind the facade of a civilian and democratic government. There is an attempt to create great confusion through words and actions in order to avoid internal political liabilities and to erode the image [of the URNG] at the international level.

The URNG's General Command must denounce the grave situation that our country is in and alert the people to the tragic implications of the government's present course.

On this historic day, the symbol of the struggle against oppression, the URNG's General Command calls on all Guatemalans to:

—Defend democratic rights by all means, condemning and resisting all violations.

—Demand that Vinicio Cerezo's regime immediately halt the repressive campaigns of terror and misinformation that it has escalated.

—Reject and not be surprised by the government's and the High Command's schemings and blackmail designed to keep themselves in power at the expense of democracy.

—Fight so the search for a political solution to the domestic armed conflict—through direct talks between this Command and the government and through the URNG's participation in the national dialogue—might lay the foundations for a truly democratic process, which would solve the population's most pressing problems.

The country is living through ominous times filled with uncertainty. That is why today, as we pay homage to the men who made democracy possible, the URNG once again proclaims that it is completely willing to face and overcome any obstacles it may encounter in order to achieve the ideals of freedom and to make our people's legitimate aspirations come true.

URNG General Command
Guatemala, 20 October 1988

Honduras

Public Workers Urged To Return to Work

PA2710150288 Tegucigalpa Cadena Audio Video in Spanish 1200 GMT 27 Oct 88

[Resolution by the Council of Ministers dated 26 October; read by President Jose Azcona at the Presidential Palace in Tegucigalpa—recorded]

[Text] The government of the Republic reports to the Honduran people that:

1. It believes that the National Association of Honduran Public Workers' request to its members to stop working is an irresponsible action that harms the Honduran people.

2. The government of the Republic has not nor will it take a position contrary to the legitimate wishes of its public workers, a position we have reiterated during public worker representative and CTH [Confederation of Honduran Workers] meetings and during public speeches.

3. On 24 and 25 October, the president of the Republic said that it was impossible to comply with Civil Service Law stipulations regulating the study and preparation of a response to proposed legal reforms because the proposal was only delivered to the Civil Service Directorate on 24 October.

4. The Civil Service Directorate was instructed to draft immediately a response to the proposal, which was submitted and analyzed by the cabinet and the Civil Service Council today.

5. The aforementioned response was immediately sent to the National Congress in compliance with the law in order to facilitate the issuance of a decree that will help solve the problem.

6. Once the executive branch had performed its duty—which is to resolve the conflict—and firmly convinced that the National Congress is dedicated to always respecting public workers' rights, the government of the Republic formally urges public workers to resume their activities tomorrow to avoid harming the nation.

Azcona on Strike

PA2710150588 Tegucigalpa Cadena Audio Video in Spanish 1205 GMT 27 Oct 88

[Interview with President Jose Azcona Hoyo by Danilo Antunez at the Presidency in Tegucigalpa on 26 October—recorded]

[Text] [Azcona] We [the cabinet] have discussed the proposal presented by ANDEPH [National Association of Honduran Public Employees]. We have discussed each article in the proposal and we have approved the resolution drafted by the National Civil Service Directorate and the National Civil Service Council.

We believe the National Congress will discuss this resolution tomorrow and will amend the law in the appropriate way.

[Antunez] Mr President, has the strike been declared illegal?

[Azcona] Well, we have much patience, and, thank God, we have never lost it.

[Antunez] Mr President, one more question. National Congress members are wondering where the government will get the money to meet these demands.

[Azcona] Well, we said the proposals we have made do not represent excessive expenditures for next year. I believe we can meet those demands. The proposed reforms will provide stability for public workers, and I believe they deserve to have stability so they are not unjustly dismissed, have the right to receive compensation when they are fired, [words indistinct], so they receive compensation. All these types of things are matters dealing with security rather than with budget expenditures.

[Antunez] Regarding the workers' demands, how much will be needed to satisfy their demands?

[Azcona] We do not have the figures yet, but our decision has been basically based on the justice, [words indistinct] which is how we have made the decision.

[Antunez] Mr President, what will the executive branch do in case the strike continues?

[Azcona] Well, tomorrow we would have to hold another emergency meeting, and would then have to adopt measures because... [changes thought] Of course the strike is illegal; there were no reasons to have the strike. As I have said and have explained, we have never been reluctant to search for or find ways to improve the [words indistinct] public workers situation and to avoid hardships that workers often suffer.

Therefore, there are no longer any excuses—that we are not making efforts—because I believe and trust that the National Congress will begin to discuss tomorrow the mentioned reforms to the law. However, it is important that workers resume working tomorrow to avoid causing further damage for the Honduran people, who are the ones who in the end suffer the consequences of a strike.

[Antunez] What about those who do not work?

[Azcona] I am making a formal appeal to them. I do not like to threaten anyone because I do not believe that is the best way.

[Antunez] Mr President, do you mean to say that if the National Congress approves this proposal, the next government—in case it is a Nationalist government—will not be able to dismiss workers?

[Azcona] Under the current law, there can be no dismissals unless they are justified. What is being done is to emphasize this point. Moreover, the amount of benefits has increased, which should be paid all at once. Therefore, it is necessary to be careful and I [words indistinct]. I followed that procedure a long time ago. First, [indiscriminate] dismissals would not be just. Second, indiscriminate dismissals would be very expensive. However,

if there are no dismissals, [the opposite] would occur. A public worker may reach retirement age; therefore, such a worker would be covered by the retirement bill. There would be no need to spend millions in compensation.

[Antunez] What would happen in case of dismissals after reforms are made?

[Azcona] We are proposing to handle dismissals as established in the Labor Code; in other words, [pay] 8 months [salary to the worker when he is dismissed]. The public workers are requesting 10 months salary. The civil service law establishes a maximum of 6 months salary. We are saying 8 months salary, which is what the Labor Code establishes. I think this is a significant accomplishment for public workers. Moreover, their pension should be paid at once.

Union on Azcona Proposal

PA2710151788 Tegucigalpa Cadena Audio Video in Spanish 1208 GMT 27 Oct 88

[Communique issued by the the Central Board of Directors of the National Association of Honduran Public Employees (ANDEPH) on 27 October in Tegucigalpa; read by ANDEPH Secretary General Carlos Perdomo—live]

[Text] The ANDEPH Central Board of Directors reports the following to the public:

1. We have listened to Honduran President Jose Azcona Hoyo's only proposal to our group. We regard the proposal as a sign of the willingness of the executive branch to find a solution to the dispute. We ask the president to forward to us today a copy of the resolution that was issued regarding amendments to the Civil Service Law.

2. Owing to the problem that has arisen, we urge the National Congress of the Republic to act responsibly now and approve the bill amending the Civil Service Law. We hope this happens soon—today. For that reason, it is important that we jointly analyze the situation so the final decision reflects the wishes of public employees.

3. All public employees companeros must remain on strike. Moreover, the strike must not end until our demands are met.

Issued at the ANDEPH building, 27 October 1987

Lopez Contreras on Summit, Border Force

PA2710154488 San Salvador Canal Doce Television in Spanish 0300 GMT 26 Oct 88

[Report by Regina Canas on news conference held by Foreign Minister Carlos Lopez Contreras with unidentified reporters in San Salvador on 25 October]

[Text] [Canas] Carlos Lopez Contreras insisted that Nicaragua's refusal to withdraw its lawsuit against Honduras—a country Nicaragua accuses of lending its territory to anti-Sandinists—is the main obstacle impeding progress in the Esquipulas II peace process and the presidential summit, which is organized as part of the peace treaty.

The Honduran foreign minister said that Nicaragua has taken this legal action to apply pressure on the foreign ministers' meetings, even to the extent of causing them to fail.

[Begin recording] [Reporter] Will the (?meeting take place) despite the International Court of Justice [ICJ] lawsuit?

[Lopez] There might be a summit, but perhaps not as part of Esquipulas II, because the lawsuit absolutely runs counter to the nature and destroys the effectiveness of Esquipulas II. We do not regard the ICJ as the appropriate mechanism; instead, all five governments—including Nicaragua—have agreed that Esquipulas II is the right political mechanism for finding solutions. [end recording]

[Canas] The Honduran foreign minister arrived on Tuesday in El Salvador on a diplomatic mission to encourage the formation of an international peacekeeping force or an international army to guarantee that irregular groups, such as the contras and the FMLN, do not enter Honduras.

[Begin recording] [Reporter] If you have such a modern Army, why would you need to resort to an international force to expel contras from your territory?

[Lopez] The reason is because the Central American problem is an international problem. It is, I repeat, the type of problem that involves the superpowers. Honduras is responsible for safeguarding its peace, democracy, and political system. It does not have an international obligation to resolve the political and security problems of its neighboring countries. Put simply, the suggestion that Honduras should be in charge of disarming or dismantling the Nicaraguan counterrevolution is tantamount to suggesting that Honduras should resolve the Sandinist government's political problems. The fate of domestic insurgent forces is a problem of concern for individual governments, the armed opposition, and whatever neutral country or countries assume the role of mediator.

We believe it is important that the international peacekeeping force not limit itself to preventing the illicit use of our territory, because this would have only a short-term effect. What is important is to resolve political problems between neighboring countries. Once peace is established through national reconciliation, democracy, and through the reintegration of armed groups into their countries' political process, then there will no longer be a need to look for sanctuary in Honduras. [end recording]

[Canas] Lopez Conteras described as positive President Arias' efforts to encourage a dialogue between the FMLN and the Salvadoran Government. He said, however, that Honduras could not share the Costa Rican president's positive attitude because the FMLN constantly attacks other countries and therefore these other countries—and Honduras is among them—cannot act as mediators.

Referring to the scheduled arrival of 1,500 refugees in Mesa Grande, Foreign Minister Carlos Lopez Contreras said that a tripartiate commission meeting is underway to verify that the repatriation is carried out within the framework of Esquipulas II.

Nicaragua

Ortega Letter to Group of 8 Presidents

PA2810122288 Managua BARRICADA in Spanish 27 Oct 88 p 5

[Letter from President Daniel Ortega to each of the Group of Eight presidents—dated 24 October]

[Text] 24 October 1988

Dear President and Friend:

I address you in reference to the national emergency caused by the hurricane that devastated Nicaragua 22-23 October, seriously affecting the Atlantic coast and parts of the central and Pacific areas of the country, with the loss of lives and damage that accompany such disasters.

A very early national report states more than 79 people were killed, approximately 257 were injured, more than 13,500 homes were destroyed, and more than 65,000 of the 300,000 people we evacuated are homeless. The direct effects of the hurricane on national production have not yet been evaluated. In other words, we consider this tragic situation the worst natural disaster the nation has experienced since 1972. We have asked ECLA to carry out a more comprehensive evaluation, the result of which I will relay to your government in due time.

The Nicaraguan Government has made an urgent call to the international community for medicine, food, clothes, and tents for the thousands of displaced people, and for construction materials and other basic supplies to confront these special circumstances. Once we overcome this phase, we will be in need of the international community's aid to bring a measure of stability to the refugee's situation.

The tragic effects of this situation compound the huge losses in human lives and property caused by the policy of force the U.S. Government has implemented for more than 8 years, subjecting Nicaragua to exceptional circumstances that multiply the difficulties.

In the midst of this tragedy, I wish to express to you our greetings to the meeting that the presidents of the Group of Eight will hold in Punta del Este.

I am confident the spirit of Latin American solidarity and brotherhood among our peoples and governments will be a decisive factor so the Group of Eight countries will lead the call for cooperation with Nicaragua.

I also wish to express our appreciation to the Group of Eight for their political willingness to promote a plan of cooperation with Central America, convinced that peace and development are permanently linked to the resolution of the Central American crisis.

Fraternally,

Daniel Ortega Saavedra

U.S. Urged To Allow Tunnermann's Return

PA2810020588 Panama City ACAN in Spanish 0044 GMT 28 Oct 88

[Excerpts] Managua, 27 Oct (ACAN-EFE)—The Nicaraguan Government today urged the United States to revoke "the illegal expulsion" of Nicaraguan OAS Ambassador Carlos Tunnermann. The Nicaraguan representative had to leave his post in July when he was declared "persona non grata" by the Reagan administration.

A communique issued today by the Nicaraguan Foreign Ministry says the government believes Tunnermann's expulsion "is clearly the result of the U.S. Government misusing its power." The communique asks Washington to abide by the OAS Charter. [passage omitted]

The communique also accuses the United States of violating the OAS Charter and of "abusing its power to restrict the privileges and immunities given to the OAS member states' representatives."

Nicaragua also accuses the United States of using legal loopholes to expel the Sandinist diplomat. [passage omitted]

U.S. Refusal of Visa for Cardenal Noted

PA2710221988 Managua Domestic Service in Spanish 1200 GMT 27 Oct 88

[Text] Based on a whimsical law, the U.S. State Department has refused an entry visa for Ernesto Cardenal, Nicaraguan poet, priest, and former minister of culture, who was scheduled to attend cultural activities organized by U.S. universities.

Cardenal is the first victim of the Reagan-type law approved by the White House Tuesday, which bans entry to the United States of those who were previously granted a visa under a false pretext or who are associated with a communist party. However, none of these charges apply to Cardenal.

Union Leaders Fined for 'Slandering' Government

PA2810040088 Managua Domestic Service in Spanish 1200 GMT 27 Oct 88

[Text] Alvin Guthrie Rivers and Jose Espinosa Navas yesterday were ordered to pay stiff fines for slandering the Nicaraguan Government.

The two labor union leaders, members of parties belonging to the Ramiro Sacasa Coordinating Board, must each pay 37,500 cordobas for having falsely blamed the government for the murder of three people in a bar in the country's western region. The dead men also did not belong to the CUS [Confederation for Trade Union Unity], as the labor leaders had claimed. Furthermore, the motive for the crime eventually was determined.

Government Ends Hurricane Radio Network

PA2810000088 Paris AFP in Spanish 1555 GMT 27 Oct 88

[Text] Managua, 27 Oct (AFP)—The Nicaraguan Government today ended the national radio network that was set up last Friday as a result of the state of emergency declared in the country because of Hurricane Joan.

Interior Minister Tomas Borge, who made the announcement, asked the media to carry "objective reports" on the effects of the hurricane, which killed 70 people, left some 300,000 homeless, and destroyed cities and dozens of villages on Nicaragua's Atlantic coast and in the southeastern and central part of the country.

Borge also suggested that Radio Catolica Director Bismarck Carballo refrain from rebroadcasting reports from Costa Rica's Radio Impacto, describing it as a "counterrevolutionary" station.

Even though the radio network ended today, the government ordered all the country's radio stations to form a network three times a day to broadcast a joint newscast, which will be headed by the government radio station Voice of Nicaragua [Managua Domestic Service].

The radio network operated continuously since it began Friday. The government set up the network using the powers granted by the emergency law, which among other actions allows the executive branch to exercise strict control over the news media.

Panama

Noriega Chides Police Chief for 'Excessive Force'

PA2710180088 Panama City ACAN in Spanish 1655 GMT 27 Oct 88

[Text] Panama City, 27 Oct (ACAN-EFE)—General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces, has reprimanded Police Chief Lieutenant Colonel Alfredo Remon for "the procedures and excessive force used" by some police units against members of a labor union.

The reprimand is contained in a letter from Noriega to Remon published in this week's issue of the newspaper UNIDAD, which is published by the People's Party of Panama (a communist party).

"I am calling you to order," the general says to Remon, "so acts like these will not be repeated and so that orders issued by civilian authorities are carried out within the confines of the law."

"You must vigorously reprimand your subordinates for the excessive force that was used, as well as for their verbal expressions, and you should choose the appropriate people to carry out missions, particularly when these may be detrimental to labor organizations," the letter from the Panamanian "strongman" states.

A copy of the letter, dated 13 October but released today, was sent to the National Central Organization of Panamanian Workers (CNTP), which had protested the recent mistreatment of members of the shoe industry labor union.

In a note to the CNTP, Noriega gave assurances that "the methods used by the police official involved in the incident do not reflect the doctrine or the system established by command headquarters."

"Therefore," the general told the CNTP, "I would like you to accept this as an apology for any error that may have been committed."

Visit by U.S. Official Part of Shultz 'Pressure'

PA2710153888 Panama City CRITICA in Spanish 27 Oct 88 pp 1, 18

[Text] Washington—Confirming rumors that circulated in this capital regarding pressure being applied by U.S. Secretary of State George Shultz in an attempt to get a contract for the Bechtel Corporation, Richard Wyrough,

director of the State Department's Office of Panamanian Affairs [title as published], suddenly traveled to Panama for a "consultation" visit, according to government and diplomatic sources.

Wyrough, one of Shultz' figureheads known in Latin American diplomatic circles in this capital as the "the rough one" [el rudo] because that is what the last part of his name means in English, is the envoy chosen by Shultz to use pressure and blackmail to get an agreement signed. That agreement would grant the Bechtel company a contract to carry out feasibility studies on alternatives to the Panama Canal.

Secretary of State George Shultz, who will surely receive a large commission and a position on Bechtel's Board of Directors as soon as he leaves office at the end of the Reagan administration on 21 January 1989 for getting the contract, is worried because he wants the agreement signed by the end of this month, because he believes it will be impossible for him to use pressure after the 8 November U.S. presidential elections.

This contract is worth $900 million, and it is estimated that the agent, Shultz in this case, will receive about $45 million in commissions. The Bechtel proposal includes the creation of a consortium to be called the International Management Group, in which Panama would only be represented by a consulting firm having no decision-making power regarding the selection of qualified companies to carry out the projects called for by the feasibility studies.

Officials Arrive

PA2710164788 Panama City CRITICA in Spanish 27 Oct 88 p 18

[Text] Panama City, Oct 25 (ACAN-EFE)—Richard Wyrough, the State Department's director of Panamanian affairs, arrived in Panama today. He will stay here for several days on a visit that diplomatic sources termed as "routine" or "for consultations."

A U.S. Embassy spokesman told ACAN-EFE that Wyrough, who has visited the country on several occasions, will hold meetings with "a broad range of Panamanian figures" and with U.S. Government officials.

The sources declined to say if Wyrough will hold meetings with Panamanian Government or opposition figures.

Harry Reid, U.S. senator from Nevada, also visited Panama yesterday and today. He met with Panamanian political leaders. However, there was no word on what topics were discussed.

Bilateral relations between Panama and the United States are currently at their lowest level in the wake of the political and institutional crisis that this country has been experiencing for the past 17 months.

The Washington government is imposing severe economic and trade sanctions on Panama in an as of yet unsuccessful attempt to oust the regime of General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces.

Opposition on Meeting

PA2710183888 Panama City LA ESTRELLA DE PANAMA in Spanish 27 Oct 88 pp A-1, A-2

[Text] Panama City (REUTER)—A U.S. State Department specialist on Panama arrived in this capital yesterday for what a U.S. Embassy spokesman described as a "routine visit."

Terry Kneebone said Richard Wyrough, director of the Panama department at the U.S. State Department, arrived with U.S. Ambassador to Panama Arthur Davis, who was returning from a trip abroad.

Wyrough's arrival comes after a visit by U.S. Senator Harry Reid, who made a 1-day visit in which he talked with representatives of parties that oppose military leader General Manuel Antonio Noriega.

Reid, a Democrat from Nevada, arrived in Panama at noon on Monday and left several hours later, after meeting with "a broad spectrum" of Panamanians, Kneebone said.

The spokesman declined to comment on whether the U.S. officials had established contact with representatives of Noriega or the Panamanian Government.

"We have no comment on specific meetings," Kneebone said. Washington does not recognize the government of acting President [presidente interino] Manuel Solis Palma, a Noriega ally.

A Solis Palma spokesman said he knew nothing about the Reid visit.

A member of an opposition party who spoke with Reid said the meeting was "informative."

Asked his impressions of the meeting, the opposition source, who asked not to be identified, said: "Well, (Reid) seemed to have good intentions."

Panamanian opposition leaders have expressed bitterness and frustration over the failure of the economic sanctions imposed by the United States to force Noriega from power.

Antonio Arias, a legislator of the opposition Authentic Panamenist Party, on Monday asked Washington to end the economic sanctions, alleging that they were only hurting the Panamanian people.

Ritter: No Talks Held

PA2710184088 Panama City LA ESTRELLA DE PANAMA in Spanish 27 Oct 88 pp A-1

[By Claudio Herrera Jimenez]

[Text] Panamanian Foreign Minister Jorge Ritter has said no formal or informal talks are under way with Richard Wyrough, director of Panamanian affairs for the U.S. State Department, who is currently in Panama.

Ritter said the Panamanian members of the Panama Canal Commission Board of Directors have sent a letter, which is to be published in due time, to Mr William Gianelli, one of the U.S. members of the board, in which they state their position that decisions made unilaterally in the United States must be reviewed.

The letter asks the U.S. Government to reconsider its position and its stance of preventing the Panamanian members from attending Panama Canal Commission Board meetings.

The U.S. Government denied visas to Panamanian board members who wanted to attend the last meeting in New Orleans, which, for the second time, prevented Panama from being represented at the deliberations.

Ritter Denies Contacts

PA2810001088 Panama City MEDIODIA in Spanish 27 Oct 88 p 10

[Text] Foreign Minister Jorge Eduardo Ritter has reported that the Panamanian Government is not making any contacts with Richard Wyrough, a U.S. State Department official in charge of Panamanian affairs, who has been in Panama since Tuesday night.

"There are no negotiations with the U.S. Government. We know that the official in charge of Panamanian affairs is here, but there are no formal or informal negotiations with him," Ritter said.

U.S. Embassy sources have indicated that Wyrough plans to meet with all of the country's political segments as well as with business groups. A spokesman for the opposition Christian Democratic Party said the State Department official's visit is "of little importance."

Official 'Unsuccessful'

PA2810132088 Panama City CRITICA in Spanish 28 Oct 88 pp 1, 24

[Text] Washington—Very reliable diplomatic sources accredited in this capital have said that Richard Wyrough, the director of the U.S. State Department Office of Panamanian Affairs and front man for U.S. Secretary of State George Shultz, has been unsuccessful in his efforts to meet with Panamanian Government authorities.

Rumors are that Shultz instructed Wyrough to use pressure, threats, and blackmail to intimidate Panamanian rulers and to achieve an immediate approval of agreements so that the U.S. Bechtel Corporation would be contracted to carry out feasibility studies on alternatives to the Panama Canal. However, Wyrough's visit to Panama has not had the results desired by Shultz. Meanwhile, the deadline set to achieve this, the end of this month, is expiring.

State Department officials, who asked to remain anonymous, said that Wyrough, "the rough one," accompanied by the U.S. ambassador to Panama and by Eduardo Lewis (Chicho) Navarro, a son of Gabriel Lewis Galindo, met with some members of the Panamanian opposition and urged them to exert all kinds of pressure to achieve an immediate solution in their favor. Wyrough was an adviser to Lewis Galindo in one of Galindo's companies on the Panamanian island of Contadora some years ago.

A Latin American diplomat said it is obvious that front man Richard Wyrough will return to Washington at the end of the week "empty-handed." Meanwhile, there has been no comment from the Bechtel Corportation, whose spokesmen have remained absolutely silent throughout the entire scandal.

Canal Employees Protest 'Unjust' Tax Measure

PA2710154888 Panama City LA ESTRELLA DE PANAMA in Spanish 27 Oct 88 pp 28, B-2

[Letter sent to the director of revenues of the Finance Ministry by the Board of Directors of the Association of Canal Employees—dated 26 October]

[Text] Panama City, 26 October 1988

Director of Revenues
Ministry of Finance
Panama, Republic of Panama

Dear Mr Director:

The recent General Directorate of Revenues' announcement that steps would be taken to seize our personal property and real estate as a means of collecting the taxes deducted from our wages by the U.S. Government and not forwarded through the usual channels to the Panamanian Government has aroused our indignation, because these measures are illegal and unjust.

As the proper authorities should well know, the notes exchanged on income taxes, which were signed on 12 and 30 August 1963, and the notes exchanged on the educational tax, signed on 8 September and 13 October 1972, establish the canal organization as the withholding agent for Panamanian employees' income taxes. Those agreements were reaffirmed by the Agreement on the 1977 Panama Canal Treaty (see No 2, paragraphs cc and ddd).

In compliance with those agreements, our employer has deducted our income and educational taxes. The fact that they have not been turned over is a problem between the two governments for which we have no liability under Panamanian law. Indeed, the Fiscal Code, in Volume 4, Chapter 8, Article 752, Nos 1, 3, and 8, as well as in Article 758, clearly establishes the sanctions applicable to tax withholding agents who fail to remit the withheld taxes to the national treasury.

As a result of your office's announcement, we Panama Canal employees find ourselves in the unfair position of having our taxes legally deducted from our wages, yet the government is threatening to collect them again through procedures for the attachment of our property. Moreover, many Panama Canal Commission employees filed sworn tax declarations, and, as a result, have tax credits in their favor. The situation is further complicated by the fact that the Finance Ministry has refused to accept direct payments from employees who have approached the ministry with that intent.

Despite the demoralizing effect of this situation on Panama Canal employees, we have continued to work steadily and patriotically to fulfill our sacred mission of ensuring that the waterway continues to serve international commerce efficiently. However, we are concerned that the continued harassment and persecution unleashed against us could further deteriorate the workers' morale and have an adverse effect on the services provided, or worse, that the employees could react precipitately to a situation that is becoming intolerable.

With our esteem,

Board of Directors
Association of Canal Employees

Government Reports Damage Caused by Hurricane
PA2710224188 Panama City Circuito RPC Television in Spanish 2300 GMT 26 Oct 88

[Text] More than 6,000 people were left homeless, 12 are dead and 23 missing; more than 700 houses were destroyed or damaged; approximately 15 percent of the country's roads were destroyed; several communities remain incommunicado; and tens of thousands of hectares of agricultural production have been affected, according to a preliminary report compiled by the multidisciplinary unit appointed by the executive branch to assess the impact of the floods caused by Hurricane Joan in Panama.

The report states that 17 areas in the country have been left with no communications; 19 bridges were damaged and 8 more destroyed; 1,400 km of roads and highways were destroyed; and 60 km of railroad between Concepcion and Puerto Armuelles and 80 km in the Chiriqui Land Company's banana area were destroyed.

The report adds that 7 km of potable water pipelines were damaged, as well as dozens of rural aqueducts and water wells, which means that hundreds of Panamanians are without drinking water, particularly in Puerto Armuelles, where it has not been possible to restore this service.

Argentina

Parties Allied to Peronists Attack Alfonsin

PY2710203288 Buenos Aires BUENOS AIRES HERALD in English 27 Oct 88 p 11

[Excerpt] The controversy sparked by President Raul Alfonsin's attack on Peronist presidential candidate Carlos Menem continued to grow yesterday as the 10 parties which make up an electoral front with the Peronists joined in with their repudiation.

Menem himself said Alfonsin had "descended from his duties as head of state because the president of the nation cannot use his condition as such" to create confrontations between the Radicals and Peronists "especially without knowledge or grounds."

"I have the firm intention not to stoop to the mud of this controversy. I will remain above the accusations, slander and offences," said Menem.

In a joint statement, the 10 parties rejected the head of state's "behaviour" which they considered "violates democratic principles and the provinces' institutional stability."

The 10 groupings—which include the Intransigent, Christian Democrat and Blanco (pensioners) Party—expressed solidarity with the Peronist candidate "over the unfair insults received form government circles" and blasted Alfonsin for "acting like the manager of the governing party's (electoral) campaign." [passage omitted]

Modifications in Army Cadres Reported

PY2710172588 Buenos Aires DYN in Spanish 1150 GMT 27 Oct 88

[Summary] Buenos Aires, 27 Oct (DYN)—Military sources today reported that General Juan Ramon Mabragana, current commander of the II Army Corps, will become deputy chief of the Joint General Staff, and that Colonel Diego Soria, who will be promoted to the rank of general, will replace General Oscar Salomon, who will retire, as head of the National Military School.

These changes will become effective as of 31 December.

The commanders of the III, IV, and V Army Corps will remain the same, and General Isidro Caceres will replace Gen Mabragana as comander of the II Army Corps.

The situation in the Army General Staff is the following: General Adolfo Patricio Etcheum will be chief of personnel; General Eduardo Cardozo will remain chief of intelligence; and Colonel Enrique Laurenti, who will be promoted to the rank of general at the end of the year, will remain chief of operations. Col Laurenti will occupy this position until July 1989, when he will become a member of the Inter-American Defense Board, which is headquartered in the United States. Colonel Felipe Mattaloni will remain chief of logistics.

General Mario Diaz will leave his position at the General Staff to become military attache at the Argentine Embassy in the United States.

In addition to Mabragana, General Antonio Balza and Colonel Raul Gomez Sabaini, who will gain the rank of general at the end of the year, will also become members of the Joint General Staff.

General Manuel Arrillaga has been appointed to the Army Support Command.

In the Military Industries, Colonel Mario Remetin, who will be promoted to the rank of general, and Colonel Cayetano Torres have been appointed production managers.

General Felix Bonet, who is currently in the United States, will be appointed director of the Army Superior Institutes.

The following officers will become head of the Brigade Commands:

1st Armored Brigade: Colonel Maximo Groba, who will be promoted to the rank of general;

2d Brigade: Colonel Sabino Fernandez;

3d Brigade: Colonel Lubin Arias;

4th Airborne Brigade: Colonel Francisco Salas, who will be promoted to general, and Colonel Nunez Almeida, who was appointed second commander;

5th Brigade: Colonel Carlos Quevedo, who will be promoted to the rank of general, and Colonel Hector Giralda, current military attache to Paraguay, who will be the second commander;

6th Brigade: Colonel Jorge Alberto Maffey, who will become a general at the end of the year, and Colonel Oscar Torres, current military attache to Ecuador, who will be the second commander;

7th Brigade was disbanded;

8th Brigade: Colonel Horacio Jose Martinez, currently the second commander, will become the commander as soon as the current Commander Colonel Jorge Apa retires;

9th Brigade: Colonel Jorge Halperin, who will be promoted to the rank of general, will remain in his position;

10th Brigade: General Eugenio Dalton will continue to be the commander;

11th Brigade: Colonel Horacio Canesto will continue to be the commander because Gen Salomon, who was appointed commander, asked to be retired in order to continue as head of the National Military School;

12th Brigade: Colonel Miguel Armua will remain as commander. Armua is one of the officers who were offered the possibility of remaining in their posts for 1 more year until the Promotion Board again considers the possibility of promoting them.

Bolivia

Foreign Minister on Antidrug Accords With U.S.

PY2710025388 La Paz PRESENCIA in Spanish 18 Oct 88 p 1

[Excerpts] On reviewing the two annexes of the antidrug agreement signed with the United States in 1986, Foreign Minister Guillermo Bedregal Gutierrez stated yesterday that the Bolivian strategy of "nonviolence and nonuse of herbicides" in replacing coca crops has yielded positive results.

He said that if the democratic mechanism of consensus fails to work in the struggle against drug trafficking, our country will face conflicts and confrontations similar to those other Latin American nations are facing.

In a meeting with reporters yesterday afternoon in his office, Bedregal Gutierrez stated that the revision of Annexes One and Two specifically deal with the adjustment of those instruments to the law on control of dangerous drugs approved recently by the legislative branch.

"It is our law that we must make compatible with an agreement that no longer has the effect it had when it was signed with the United States." [passage omitted]

After a little more than 2 months, the National Council for the Prevention of and Struggle Against Drug Trafficking held a meeting yesterday. According to the foreign minister's report, the mechanism of prohibition, substitution of crops, and the prevention of use of illegal drugs were evaluated.

I think the balance is positive, although there has been insufficient coordination, both of the bilateral agreements with the United States and the multilateral agreements.... [sentence as published] [passage omitted]

$87.6 Million Paid on Debt Through Mid-1988

PY2610021988 La Paz PRESENCIA in Spanish 19 Oct 88 p 1

[Summary] According to information disclosed by the Bolivian Central Bank, through mid-1988 the government had disbursed $87.6 million to cover foreign debt principle and interest. Of this $87.6 million, $45.4 million were to pay interest and $42.2 million to pay the principle of the foreign debt.

Mid-Year Trade Balance Deficit of $51.3 Million

PY2710112988 La Paz PRESENCIA in Spanish 18 Oct 88 p 6

[All figures as published]

[Summary] According to the Department of Economic Policies Analysis [Unidad de Analisis de Politicas Economicas—UDAPE] of the Planning Ministry, the Bolivian trade balance during the first half of this year showed a deficit of $51.3 million. Imports during this period amounted to $345 million and exports only $293.6 million. According to the UDAPE this deficit is slightly lower than the one registered during the same period last year, when it amounted to 51.7 million.

Brazil

Armed Forces Chief Sees 'No Threat' of Coup

PY2810000288 Brasilia Domestic Service in Portuguese 2100 GMT 27 Oct 88

[Text] The chief of the Armed Forces General Staff, the EMFA, has denied rumors of an alleged coup and guaranteed that presidential elections will be held next year.

EMFA Chief General Medeiros de Figueiredo Valbert Lisieux, [words indistinct] there is no threat to the presidential (?process) and that [words indistinct] a peaceful manner, since society wants to hold direct presidential elections.

Minister Valbert Lisieux is confident that the country's current financial problems will not upset the electoral process.

[Begin Valbert Lisieux recording] Brazil's problem is that we (?do not) have an economic crisis, but a financial crisis. This is natural in a period of democratic transition [passage indistinct] and through a period of constitutional change, which will have no (?influence) at all on the country's destiny which (?is already set). [passage indistinct] [end recording]

The EMFA chief believes it is society's duty to help President Sarney (?solve) the government (?crisis). In any case, he said, it is natural for democratic countries to live through periods of financial instability.

Chile

FRG Politician Alleges Pinochet Coup Attempt

LD2710150188 Hamburg DPA in German 1356 GMT 27 Oct 88

[Excerpt] Santiago, Chile (DPA)—Chilean President Augusto Pinochet planned a coup d'etat on the night of his defeat in the 5 October referendum. This was reported Thursday by Christian Democratic Union General Secretary Heiner Geissler [of the FRG] in Santiago, Chile, quoting information from reliable sources after

having met with politicians, trade unionists, human rights organizations, and the church leadership during his 3-day visit to Chile. Geissler is the first Western politician to confirm the rumors of a putsch, which had so far been vehemently denied by Chile's military regime after various allegations in the opposition press.

Geissler added, during a talk with German journalists, that Pinochet failed to obtain the support of the members of the Military Junta. Pinochet, who has been in office 15 years, had failed to obtain a majority in the referendum on an extension of his period of office by a further 8 years and now has to make way for democratic elections and leave the presidential palace on 11 March 1990. So far there have been only muted suggestions concerning Pinochet's intentions not to recognize the referendum outcome, which, for him, was negative. [passage omitted]

Bishops Criticize Pinochet Remarks on Church

PY2710144588 Madrid EFE in Spanish 0646 GMT 27 Oct 88

[Text] Santiago, 26 Oct (EFE)—The Bishops of Chile Assembly today criticized General Augusto Pinochet's recent drawing of a comparison between the Chilean opposition victory in the 5 October plebiscite and Barabbas' victory in ancient Jerusalem.

In a speech delivered on 25 October, Gen Pinochet said: "We have been defeated, but not vanquished," and compared the no-vote victory in the plebiscite to "the other plebiscite when the people had to choose between Christ and Barabbas, and the people chose Barabbas."

In a declaration released today by Archbishop Bernardino Pinera, current chairman of the Chilean Episcopal Conference, the bishops stated: "It was not appropriate to compare the recent plebiscite, in which the government was defeated, with the Jewish people's choice of Barabbas over Jesus Christ."

Msgr Pinera also termed as "odd" General Pinochet's statement that certain sectors of the Catholic Church were enemies with which his military government has fought.

Msgr Pinera said the church has not fought for or against the government; the church has been fighting for the defense of human rights, for social justice, for reconciliation, for understanding, and for peace.

The archbishop praised Pinochet's promise that he "will hand the government to whomever the people elect in the next general election."

Pinochet Appoints Four New Under Secretaries

PY2710112488 Santiago Domestic Service in Spanish 2200 GMT 26 Oct 88

[Text] President Augusto Pinochet has accepted the resignations tendered by the interior, education, agriculture, and labor under secretaries.

The president appointed Gonzalo Garcia Balmaceda as interior ministry under secretary, (Paulina Dixon) as education under secretary, Arturo Benegas Palacios as agriculture under secretary, and Juan Jorge Lazo Rodriguez as labor under secretary.

Adm Merino Recovers From Minor Surgery

PY2710112588 Santiago Domestic Service in Spanish 2200 GMT 26 Oct 88

[Text] Navy Commander Jose Toribio Merino is at his residence recovering from minor surgery. Admiral Merino, who is a member of the Government Junta, underwent surgery on 25 October to remove a sebaceous cyst from his neck.

According to reports issues by the Navy Public Relations Department, Merino is recovering at his residence.

Investigative Police Arrest Two 'Terrorists'

PY2710131188 Santiago Domestic Service in Spanish 0930 GMT 27 Oct 88

[Text] The Investigative Police announced that two members of the armed branch of the outlawed PCCh have been arrested. The terrorists are charged with armed robbery, the bombing of 12 lightpoles, and violating the law on the control of weapons and explosives.

The terrorists were identified as (Mirko Satcovich Orrego), 22, alias Ernesto and (Victor Hugo Pavez Ramirez), 26, alias Marcos.

The terrorists were spotted as they were riding in a taxi. They tried to escape but were arrested.

Colombia

President Barco Calls Strike 'Unsuccessful'

PA2810041288 Bogota Inravision Television Cadena 1 in Spanish 0248 GMT 28 Oct 88

[Speech by President Virgilio Barco in Montevideo on 27 October—live or recorded]

[Text] My fellow citizens: I am addressing you from Punta del Este, Uruguay, where I have come to participate in the Group of Eight summit. I have presented Colombia's proposals—the ones I explained to you when I departed—to my colleagues, and they were warmly welcomed. Over the next few days we will make important decisions for Latin America's future.

I have closely followed the situation in our country, and I can assure you that we have defeated our homeland's enemies. The preventive steps taken by the government to ensure public order today were effective. Our institutions have set a new example of fortitude.

Small violent groups tried to subjugate our democracy, but the threat was overcome. The strike called by certain labor unions was unsuccessful. Most of the people preferred to do their duty and go to work. There were no major mishaps even though the rebels had planned several destabilizing actions.

The Armed Forces' actions prevented terrorist acts, and the government's steps were effective and ensured normalcy. But it was you, the Colombians from every walk of life—workers, businessmen, housewives, and peasants—who turned a threat into a plebiscite for peace and democracy.

I always felt assured because I was certain that the people's full support for our institutions would become an insurmountable obstacle for the agitators. Likewise, I am sure that the subversive groups' actions will never succeed because they will always clash with what most of our people believe in.

Today's events are very significant for our people and our democracy. It means that the country prefers peace, work, and a peaceful coexistence and rejects the chaos offered by violent people. It means that Colombia has solid and effective institutions, and that the people are prepared to do their duty to defend democracy. Moreover, it means that democratic labor unions are truly interested in serving the workers and the country, and they will not be tempted by irresponsible adventurers.

We have passed the test. We have reason to look to our future optimistically and to continue working for our country. We have confirmed once more that we cannot stop the necessary plans and programs for our social development and for improving our democracy. We must continue to make progress because Colombians have the will and strength to face any challenge.

Good night, and I will see you soon.

Acting President on Strike

PA2710193688 Bogota Inravision Television Cadena 1 in Spanish 1732 GMT 27 Oct 88

[Interview with acting President Cesar Gaviria Trujillo by Jesus Garzon in Bogota on 27 October—live]

[Text] [Garzon] We are now in the office of acting President Cesar Gaviria Trujillo. We have asked Minister Trujillo to evaluate the public order situation and today's developments concerning the labor unions strike.

[Gaviria] Actually, almost all Colombian workers have gone to work today. We have made this into a real campaign against violence, confrontation, and guerrilla barbarism. The Armed Forces have managed to hold off all the subversive outbreaks and attacks.

As for the workers, almost all have gone to work today—not just those who are nonunion members, but also the unionized workers affiliated with the three labor confederations that called the strike. There are only a few enterprises where workers have not reported for work.

[Garzon] Can you comment on the public order situation in Antioquia and Turbo, for example, where some disturbances have occurred in the past few hours?

[Gaviria] On the public order situation, I must say that although the subversives have been quite active lately, fortunately the Armed Forces are prepared for this and have repelled many of these guerrilla attacks. The situation in Uraba is quite worrisome, as is the situation on the road from Barranca to Bucaramanga. However, I can report a tranquil climate throughout the country. It is true that rebels blew up an electric tower in Cartagena, leaving the city without power, but all workers, responding to the call made by Colombian institutions and the national government, have gone to work to defend democracy and our institutions and to show that we Colombians want to find civilized and mutually acceptable solutions to our problems.

[Garzon] Although there is transportation, the streets look almost deserted.

[Gaviria] Well, certainly some private vehicles are not on the roads as they usually are, but public transportation is normal in all cities around the country, so transportation is available for everyone. Traffic has dropped slightly in a few cities, but there is a general climate of absolute tranquillity around the country, and transportation services are normal. We hope workers will go home from work in an orderly and calm manner: That way we can tell Colombians tonight that Colombian workers not only did not heed the strike call and instead supported democracy and its institutions, but also that this was a demonstration making it possible to contain those who intended to create disturbances.

[Garzon] Has there been any contact with President Barco, who is now in Punta del Este, Uruguay?

[Gaviria] Yes. The president has been kept informed of the country's developments minute by minute. He was very pleased to learn that Colombians have staged this demonstration of work for democracy and our institutions.

[Garzon] Have there been any arrests?

[Gaviria] No, except for a few who were arrested for disrupting public order.

Defense Minister on Situation

PA2710184488 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 27 Oct 88

[Text] Defense Minister General Rafael Samudio Molina met this morning with the Colombian Armed Forces, Army and Navy commanders, and with the police chief. At the end of the meeting, General Samudio said troops are in complete control of the situation and will prevent any violation of public order:

[Begin Samudio Molina recording] Some incidents instigated under the terrorist guerrilla plan have occurred, but these incidents were not major. I would say the only major incident—one that is not a case of public disorder but that is troubling, nonetheless—concerns Cartagena, where there has been a power outage. Possible causes for this outage include a damaged tower or a poor connection with the La Guajira thermoelectric plant; we are investigating it. Naturally, this causes the most serious problems for citizens, rather than the government: Citizens must be facing problems because of a lack of electricity.

There has also been the explosion at the Patriotic Union's office in Apartado. Explosives may have been used; I do not know. One person was killed and another was injured. In addition, we have reports that a bridge was blown up on the road from Mutata to Apartado, blocking traffic. As I said, I do not know what the terrorists are thinking. This is not an act against the government as such; it is not an act against the military; it is an act against citizens that undermines regional development. People must understand this and repudiate all terrorist and subversive groups. The government is in control; it knows what it is doing, and we are committed to preserving order and tranquillity and to restoring it wherever there is disorder. [end recording]

Strike Ends, Violence Reported

PA2810014288 Hamburg DPA in Spanish 2338 GMT 27 Oct 88

[Text] Bogota, 27 Oct (DPA)—The strike called by the three leading labor unions in Colombia ended tonight, while a normality prevailed in more than 90 percent of the nation during the day.

Bogota Mayor Andres Pastrana, in statements on local radio networks, said urban transportation functioned normally in more than 90 percent of Bogota, which has a population of 5.5 million.

Pastrana said that during the day police arrested 52 people, adding that government employees went to work as usual. The mayor said peasants in the northwestern area of Bogota found two bombs by a navigational tower near El Dorado International Airport. Official reports say the bombs were defused.

In Apartado, a town in the banana-producing Uraba area in the northwestern part of Colombia, a bomb exploded in the so-called People's House, headquarters of the Patriotic Union, the nation's leading leftist political party, killing one person and injuring another. The attack was attributed to a paramilitary group.

Reports from Medellin, the nation's second largest city, cited spokesmen for the Voltigeros Battalion as saying that an ambush of a military convoy of 40 soldiers was thwarted this afternoon.

By 1800 in Bogota there was a noticeable decrease in traffic. Most stores and establishments were closed, and the number of pedestrians dropped to an unusually low level.

New Coal Deposit Discovered in Cesar Department

PA2810002388 Bogota EL TIEMPO in Spanish 24 Oct 88 pp 1, 7-A

[Report by Hermogenes Ardila]

[Summary] Colombia could double its coal production before the end of this century. Colombian Coal Enterprise President Sergio Sokoloff has just announced that a new mine will be opened in Cesar Department. Official estimates say the Descanso coal deposit has more than 500 million metric tons. Sokoloff anounced the new project in Rotterdam during an international meeting of coal buyers, producers, traders, and transporters.

Oscar Mejia Vallejo, minister of energy and mines, said feasibility studies are underway and will be ready in less than 18 months. If the mine's operation is viable, it will produce 10 million tons of coal a year.

Colombia is the world's fifth largest coal exporter and produces 6.6 percent of the world's coal.

Peru

IDB, World Bank Assess Economic Situation

PY2710150088 Buenos Aires TELAM in Spanish 0444 GMT 27 Oct 88

[Text] Lima, 26 Oct (TELAM-ANSA)—Two technical delegations, one from the IDB and the other from the World Bank, are visiting Peru at the invitation of Peruvian Economy Minister Abel Salinas to gather information on the Peruvian economic and financial situation.

While the two delegations are holding meetings with government officials, especially with those of the economic sector, President Alan Garcia has reiterated that his government will maintain its position of paying its foreign debt (some $15 billion) with 10 percent of the income derived from Peruvian exports. Garcia has upheld this position since he took power in July 1985.

A few hours before leaving for Punta del Este, Uruguay, where he will attend the Group of Eight summit, Garcia stressed that Peru will not accept any letter of intention from any international financial agencies that seek to modify the national economic reactivation program.

APRA Selects New Congressional Bloc Leader

PY2710192388 Lima Television Peruana in Spanish 0100 GMT 27 Oct 88

[Excerpt] Senator Humberto Carranza Piedra has been elected the new leader of the APRA congressional bloc by a wide majority.

After a meeting that lasted over 3 hours today, the APRA congressional bloc elected its new leaders, who are headed by Senator Humberto Carranza Piedra. Deputy Alejandro Ponce was elected vice president of the APRA bloc.

Secret ballots were cast in the auditorium of the Jose Faustino Sanchez Carrion Building, on block 4 of [name indistinct] street.

Senator Carranza Piedra replaces Deputy Luis Alvarado Contreras. [recorded passage omitted]

Rebels Kill 1; Shining Path Cell Disbanded

PY2710174188 Madrid EFE in Spanish 0503 GMT 27 Oct 88

[Text] Ayacucho (Peru), 26 Oct (EFE)—Today, it was reported in this Peruvian city that one peasant was killed and four were kidnapped in separate armed actions by presumed members of the "Shining Path" terrorist organization in two towns in Huanta Province, Ayacucho Department.

Reports of the terrorist actions, which occurred on 24 and 25 October, respectively, in Huaccatan and Pichihuillca, came from military sources in Ayacucho in the first case, and from travelers coming from Pichihuillca in the second case.

In Huaccatan, the Shining Path killed Simeon Quispe, a community leader, in front of his relatives and local residents after accusing him of cooperating with the security forces.

In Pichihuillca, nearly 50 armed people, wearing masks, looted stores and houses and stole cattle. They took four young men to allegedly join the "Shining Path" ranks.

Today, the antiterrorist police announced that they have disbanded a "Shining Path" cell that was operating in eastern Lima by capturing seven activists, including two women, during the past few days.

Colonel Carlos Palacios, the deputy chief of the Antiterrorist Directorate (DIRCOTE) of the Peruvian Investigative Police (PIP), has reported that the captured activists were members of a group that organized and perpetrated attacks in three shantytown districts in this capital and near the main highway.

In a news conference, Palacios added that it was discovered that the detainees were preparing an escalation of violent acts for 3 December 1988, the birthday of Abimael Guzman, a former university professor who is the Shining Path's ideologist, founder, and top leader.